FY6/2021 Full Year Financial Results & FY6/2022 Guidance

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MACROMILL
a Macromill Group company

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Notes for this entire material

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss (For Segment EBITDA, applied Segment Profit instead of Operating Profit)
2. Revenue of each segment and region is shown using gross value including intersegment / interregional revenue, and the total amount of revenue of both segments or regions does not match the consolidated revenue (the difference is the amount of intersegment / interregional elimination)
3. Constant FX figures are calculated by applying the rate of the current fiscal year to the financial results of the same period of the previous fiscal year. We present financials results on a constant currency basis because we believe that this provides a framework for assessing how Macromill’s business and, in particular, overseas businesses including MetrixLab and Macromill EMBRAIN, performed without taking into account the effect of the fluctuations between the euro and the yen since the same period in the prior year, <u>but please note , it only excludes the effect of currency exchange between the Euro/Yen and the Won/Yen, but not exclude the effects of currency exchange on all local currencies (for example, between the Euro/USD).</u> Please see the following table for the actual exchange rate applied.

	Full-Year (12 Months)		Q4 Standalone (3 Months)	
	FY6/2020	FY6/2021	FY6/2020 Q4	FY6/2021 Q4
1 Euro =	119.88	127.06	117.65	131.65
1 KRW =	0.0909	0.0940	0.0879	0.1002

FY6/2021 Key Takeaways

- **Q4 Standalone (3 Months) Revenue grew significantly YoY and Operating Profit (OP) resulted in surplus**
  - Q4 Revenue 10.07bn JPY (YoY +30% / +25% in CFX), a significant YoY growth since Covid-19 impact on last Q4 was the most significant
  - While Outsourcing and Total Employee Expenses increased YoY due to recognition of paycheck protection subsidies related to Covid-19, OP was positive 0.21bn JPY (Last Q4 OP: -5.65bn due to the Impairment loss of Goodwill / -0.37bn excl. the impairment loss)

- **Full-year Revenue growth turned to positive YoY, and OP grew significantly YoY since we recognized the Impairment loss of Goodwill in the last fiscal year**
  - Revenue 43.17bn JPY (+5% YoY / +3% in CFX), OP 5.36bn JPY (+1,251% / + 5,752% in CFX)
  - OP was -6% YoY excluding the Impairment charge (-6% in CFX)

- **Both Revenue and Profits overachieved the upwardly revised guidance announced in Q3**
  - Strengthened shareholder return, including a dividend increase (Dividend per share guidance in FY6/2021 11.0 JPY ⇒ 13.0 JPY / +2.0 JPY YoY) and completion of total amount of 0.8bn JPY share buyback program (Started May 14 and ended up July 8, 2021., Equivalent to 2.3% of the total number of shares outstanding)

- **FY6/2022 Guidance is a turning period from the recovery phase from Covid-19 to the growth phase**
  - FY6/2022 Revenue 47.40bn JPY (+10% YoY), OP 5.10bn JPY (+2% YoY, excludes the impact of paycheck protection subsidies)
  - With the policy to strengthen shareholder return, we have increased the expected dividend per share to 16.0 JPY (introduce half year dividend payout, an increase of +3.0 JPY YoY).

- **Formulated a new Mid-Term Business Plan (MTBP) that extends to FY6/2024 in response changes in our business performance and the economic environment due to impact from Covid-19, and will pursue further growth based on this MTBP**

FY6/2021 Full Year Financial Update

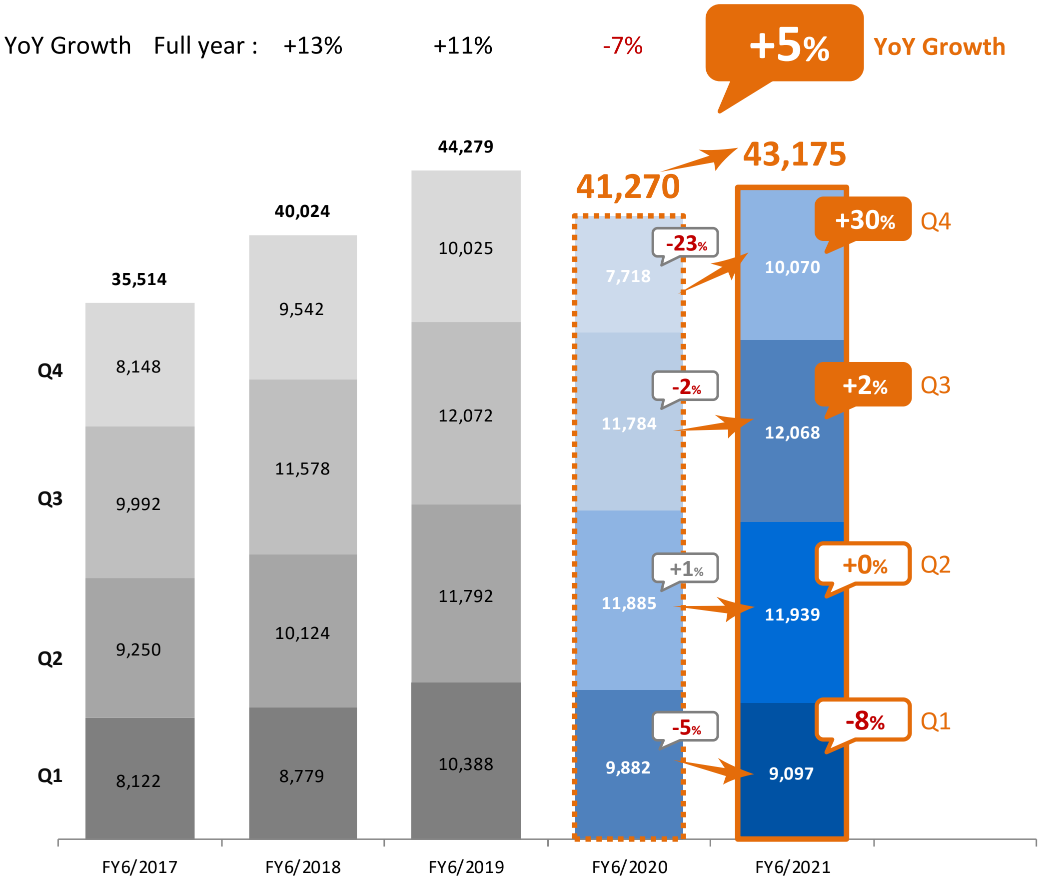
FY6/2021: Consolidated Results - Summary

Q4 Revenue increased significantly YoY and YTD Revenue growth turned to positive YoY

In addition to the effect of the Revenue increase, the paycheck protection subsidies (340M JPY) helped Q4 OP to be positive. As a result, the impact of Covid-19 to OP was within a single-digit minus in the YTD base

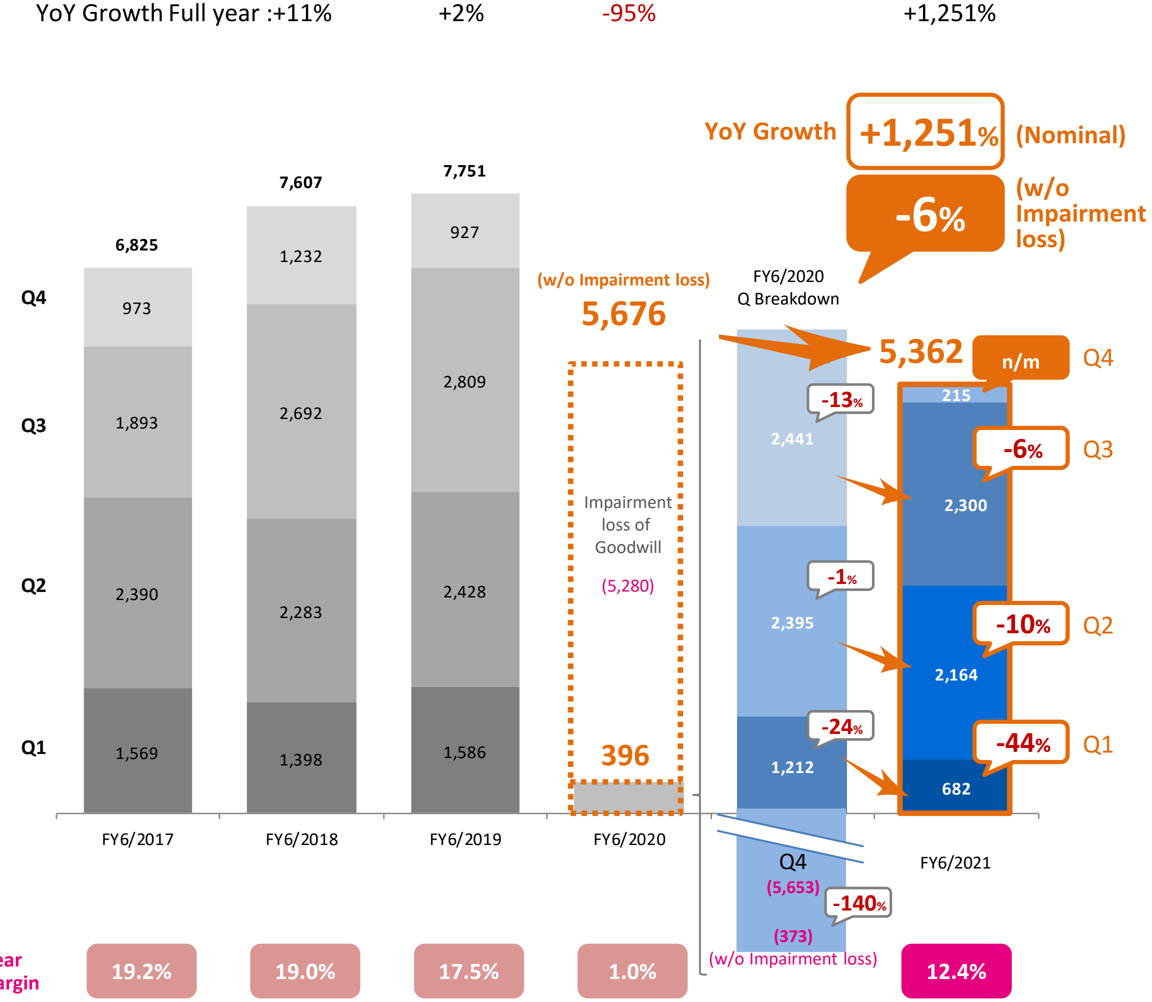
Revenue

Consolidated (IFRS)
(JPY in Millions)



Operating Profit (OP)

Consolidated (IFRS)
(JPY in Millions)



Consolidated Statements of Operations (P/L)

Summary of Consolidated Statements of Operations

(JPY in Millions)	IFRS Full Year FY6/2020	FY6/2021	Variance	YoY Growth
Revenue	**41,270**	**43,175**	**1,904**	**4.6%**
Japan and Korea Business Segment[1]	33,025	34,088	1,063	3.2%
Overseas (ex-Korea) Business Segment[1]	8,380	9,221	841	10.0%
Total Employee Expenses	(16,044)	(17,397)	(1,352)	8.4%
Panel Expenses	(6,448)	(6,766)	(318)	4.9%
Outsourcing Expenses	(5,212)	(5,764)	(552)	10.6%
Depreciation and Amortization	(2,783)	(3,016)	(232)	8.4%
Others	(10,385)	(4,868)	5,517	(53.1%)
Operating Profit (Loss)	**396**	**5,362**	**4,965**	**1,251.0%**
Japan and Korea Business Segment	5,712	5,076	(636)	(11.1%)
Overseas (ex-Korea) Business Segment	(5,315)	286	5,602	105.4%
Finance Income and Costs	(388)	(474)	(86)	22.3%
Profit before Tax	**8**	**4,887**	**4,879**	–
Income Tax Expenses	(1,694)	(1,394)	300	(17.7%)
Profit attributable to non-controlling interest	(445)	(671)	(226)	50.8%
Profit Attributable to Owners of the Parent	**(2,131)**	**2,822**	**4,953**	**232.4%**
EBITDA	**8,651**	**8,680**	**28**	**0.3%**
Japan and Korea Business Segment	8,006	7,660	(345)	(4.3%)
Overseas (ex-Korea) Business Segment	645	1,020	374	58.0%
EPS (Basic Earnings per Share) (Yen)	**(52.94)**	**70.08**	**123.02**	**232.4%**

	FY6/2020	FY6/2021	Variance
Operating Profit Margin	**1.0%**	**12.4%**	**11.5%**
Japan and Korea Business Segment	17.3%	14.9%	(2.4%)
Overseas (ex-Korea) Business Segment	(63.4%)	3.1%	66.5%
EBITDA Margin	**21.0%**	**20.1%**	(0.9%)
Japan and Korea Business Segment	24.2%	22.5%	(1.8%)
Overseas (ex-Korea) Business Segment	7.7%	11.1%	3.4%

FY6/2021 Full Year P/L Commentary

(Variance Factors)

- Revenue :
  - Japan and Korea Business Segment: the online survey business and digital business continued to lead the recovery. Revenue has significantly increased from prior year Q4 which was damaged by Covid-19
  - Overseas Business (ex-Korea) Segment: it struggled in Q1 due to Covid-19 but started to recover in Q2. The recovery momentum continued in Q4 for the same reason as Japan and Korea Business Segment
- Total Employee Expenses:
  - Increased due to hiring to improve capacity shortage and for future growth
- Panel Expenses:
  - Overall panel expenses increased in line with revenue growth
  - Panel expenses decreased due to discontinuation of service in one external panel provider in Japan and Korea Business Segment, while increasing in Oversea Business Segment due to price pressure of external panel
- Outsourcing Expenses:
  - Continued to increase in order to deal with higher-than-projected revenue
- Depreciation and Amortization:
  - Mainly due to investment in software assets in previous years as well as one-off cost due to cancellation of a part of office rent planned in 2H
- Other Expense:
  - Others remained almost the same from prior year except impairment loss of goodwill of JPY 5,280 million as well as Covid-19 related subsidy programs
- Profit attributable to non-controlling interest:
  - Mainly due to an increase in Operating Profit from the Korea business
- Operating Profit Margin and EBITDA Margin:
  - Operating profit recovered significantly from prior year due to impairment loss of goodwill
  - EBITDA margin decreased due to outsourcing expenses and employee expenses in Japan and Korea Business Segment but it improved in Oversea Business Segment driven by revenue recovery and by paycheck protection subsidies recognized

Notes

1. Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.

FY6/2021 : Operating Profit Waterfall

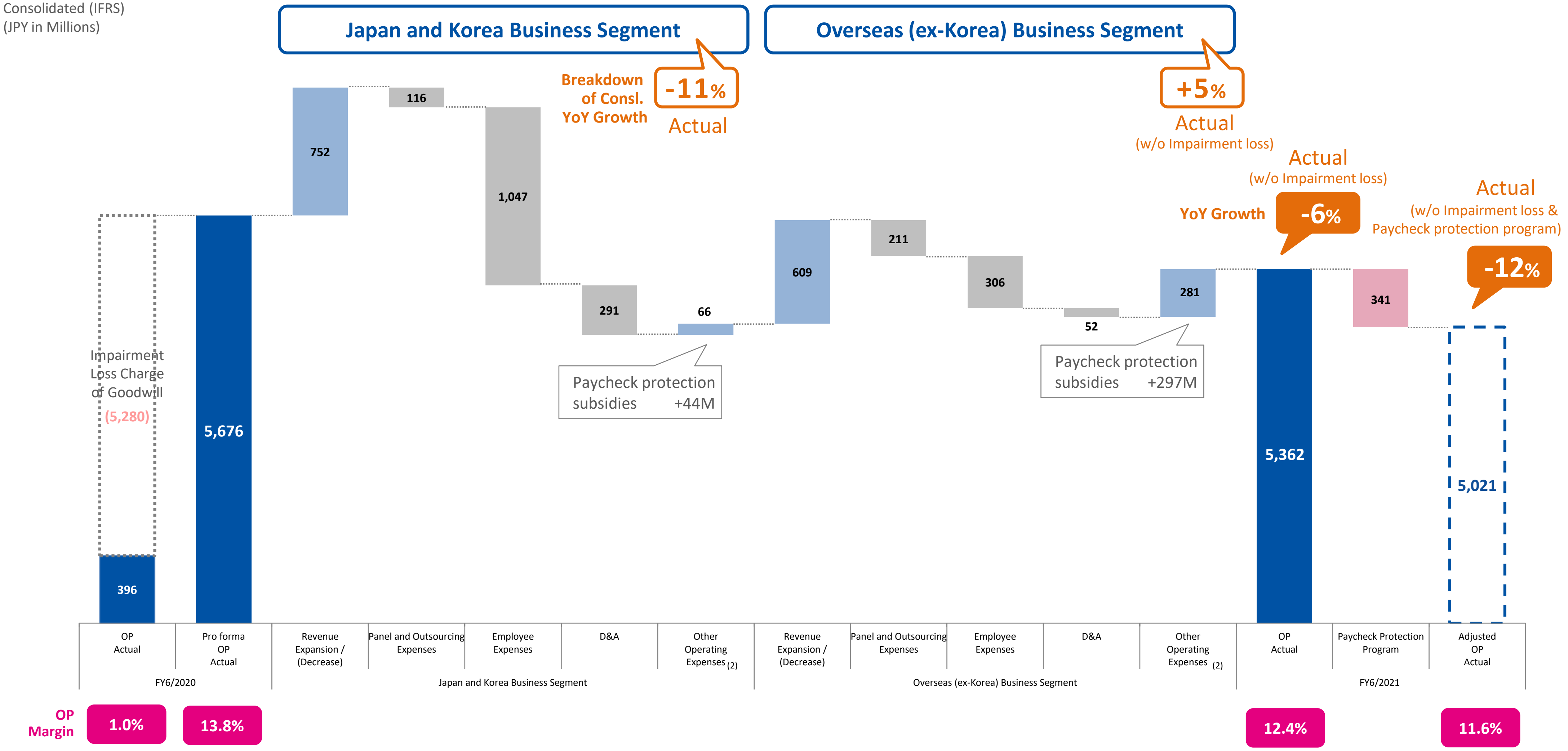
Full Year (12 Months)

Outsourcing and Total Employee Expenses increased to meet the client demand recovery

YTD Revenue growth turned to positive, but it was not able to cover all the increases in above Expenses

Operating Profit (OP) Waterfall Analysis[1] – FY6/2020 Full Year vs. FY6/2021 Full Year

Consolidated (IFRS)
(JPY in Millions)



Notes

1. The impact of "Revenue Expansion/(Decrease)" effects and "Panel and Outsourcing Expenses" on "Operating Profit" is calculated and described based on margin improvement/deterioration. "Employee Expenses", "D&A", and "Other Operating Expenses" are shown using actual differences from the same period of the previous year.
2. Others Operating Expenses includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for Using the Equity Method in addition to Other in Operating Expenses

Quarterly Revenue Trends

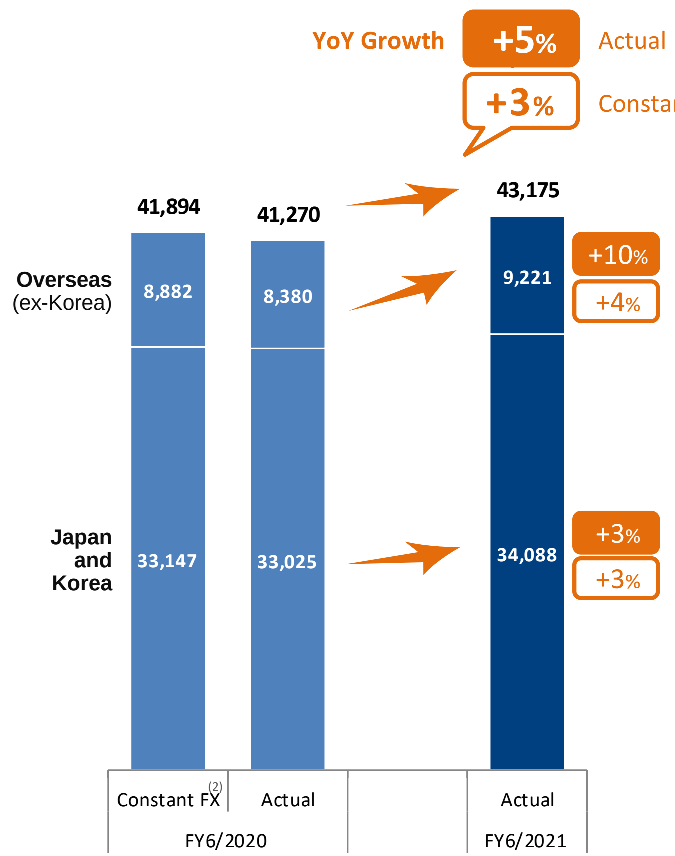
Q2 and Q3 have consistently been our strongest quarters, and this trend continues this year

After Q2, the quarterly Revenue recovered to the pre-Covid-19 (FY6/2019) level

Revenue growth of both segments turned into positive YoY due to a material increase in Q4 YoY

Revenue (12 Months)[1]

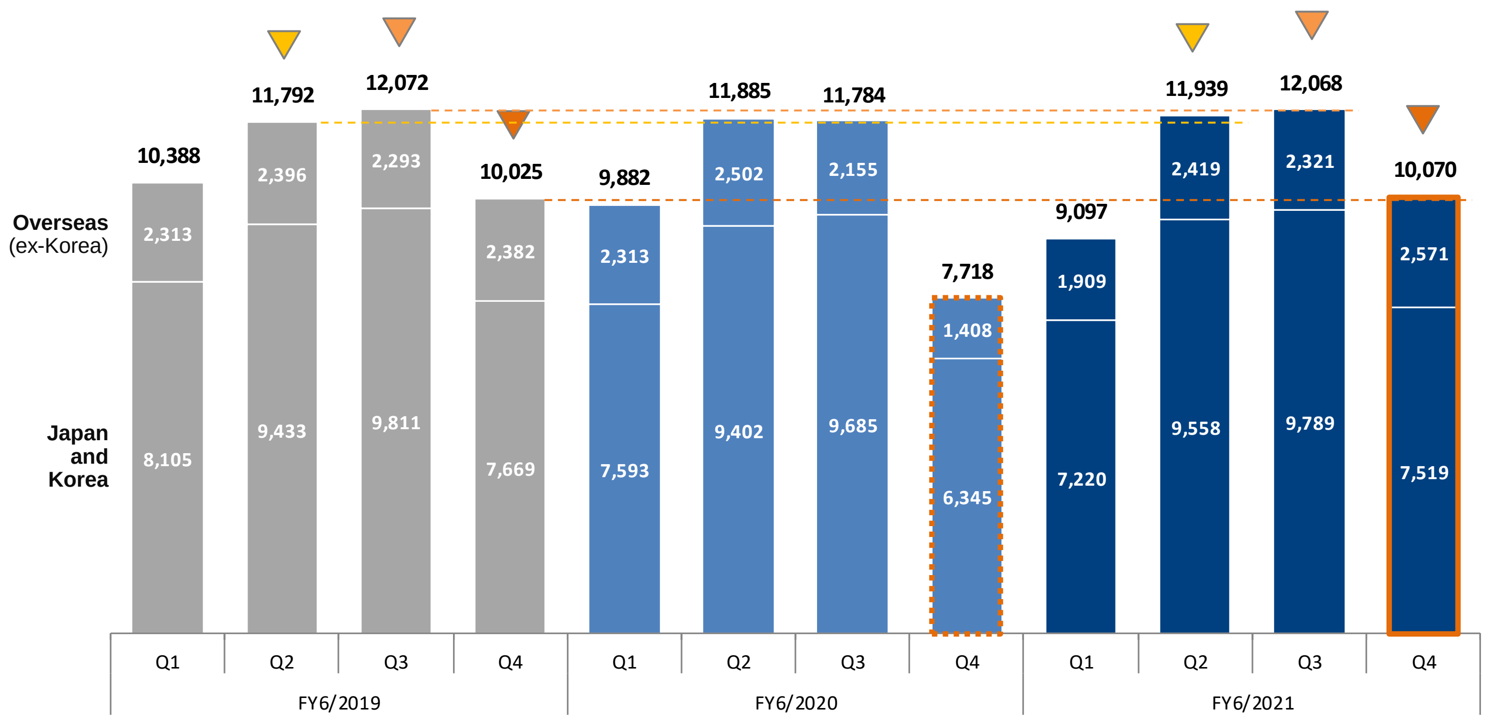
Consolidated (IFRS)
(JPY in Millions)



Quarterly Revenue Trends – By Segment[1]

Consolidated (IFRS)
(JPY in Millions)

YoY Growth	**Total:**	**-5%**	**+1%**	**-2%**	**-23%**	**-8%**	**+0%**	**+2%**	**+30%**	**+25%**
(Actual)	Overseas:	+0%	+4%	-6%	-41%	-17%	-3%	+8%	+83%	+59%
	Japan & Korea:	-6%	-0%	-1%	-17%	-5%	+2%	+1%	+19%	+17%
									Actual	Constant FX[2]



Notes
1. Revenue of each segment is shown using gross value including intersegment revenue. Please see the common footnote on p.2 for more detail.
2. Please see the common footnote on p.2 for the calculation method and the significance of constant FX figures.

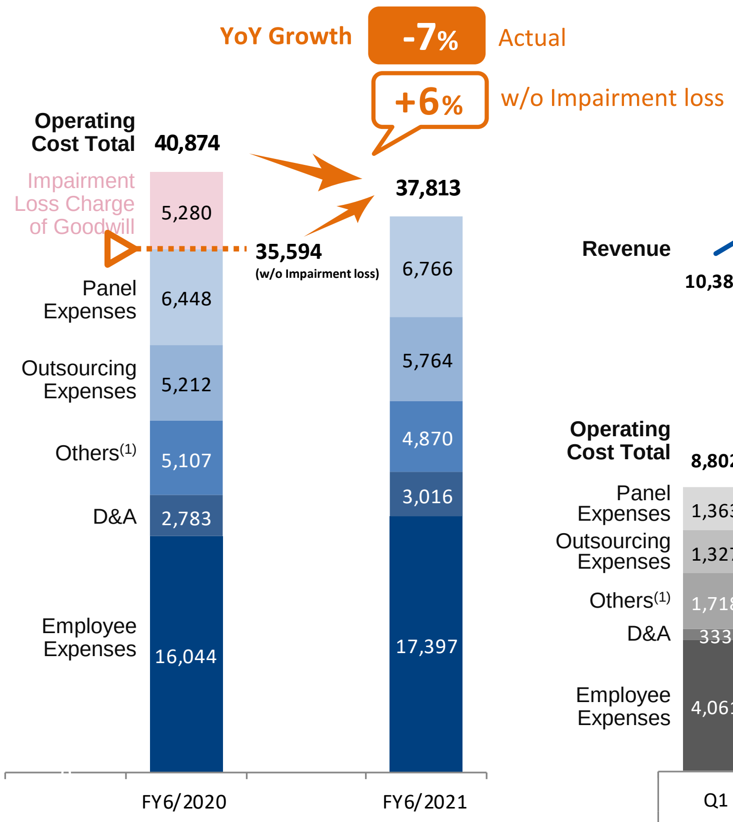
Quarterly Operating Cost Trends

Q4 Outsourcing and Total Employee Expenses increased significantly due to the aforementioned reason

The increase in Total Employee Expenses is an initiative to increase internal capacity and reduce future Outsourcing Expenses, but we anticipate no immediate change in this trend

Operating Cost (12 Months)

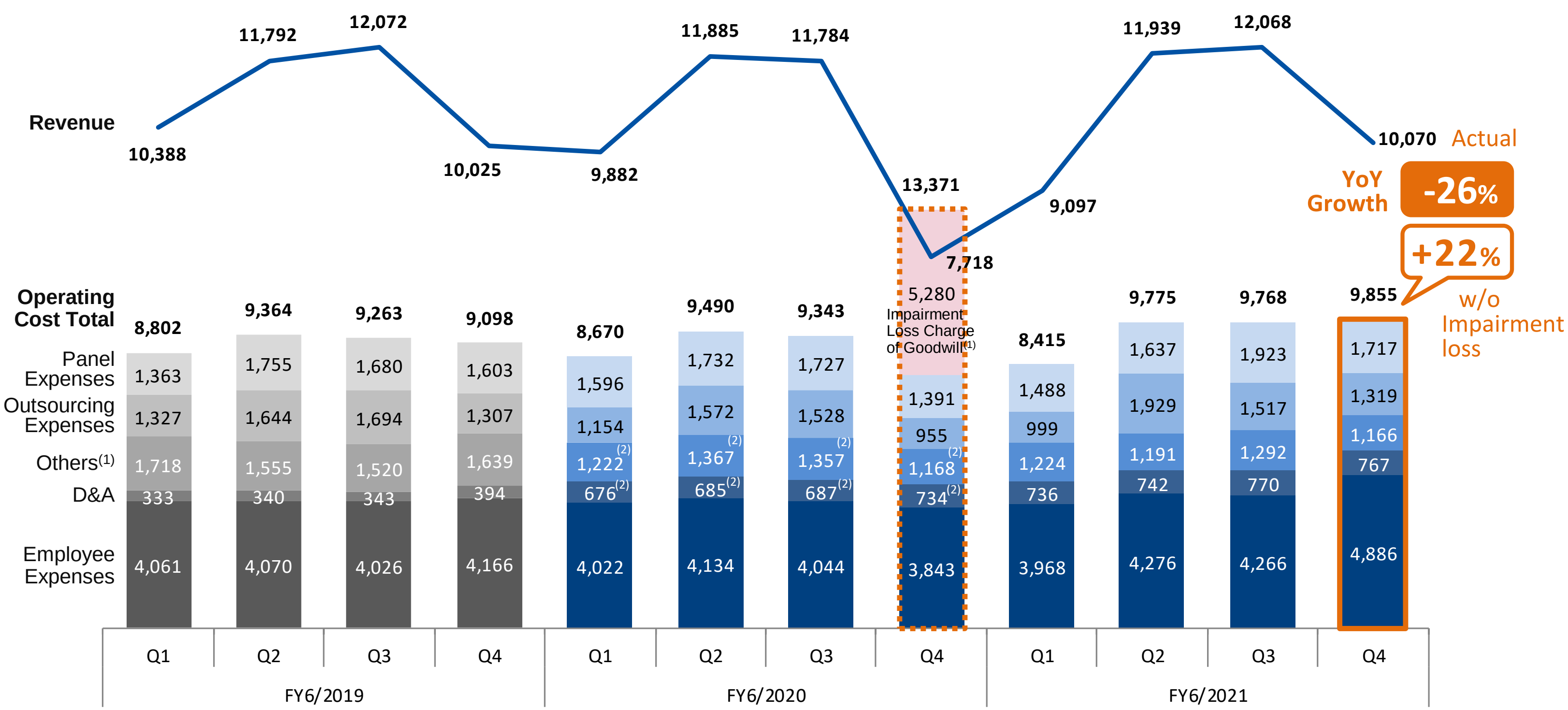
Consolidated (IFRS)
(JPY in Millions)



Quarterly Operating Cost Trends

Consolidated (IFRS)
(JPY in Millions)

YoY Growth								
Total OP Cost:	-2%	+1%	+1%	+47%	-3%	+3%	+5%	-26%
Outsourcing Exp:	-13%	-4%	-10%	-27%	-13%	+23%	-1%	+38%
Others:	-29% (2)	-12% (2)	-11% (2)	-29% (2)	+0%	-13%	-5%	-0%
D&A:	+103% (2)	+102% (2)	+100% (2)	+86% (2)	+9%	+8%	+12%	+4%
Employee Exp.:	-1%	+2%	+0%	-8%	-1%	+3%	+5%	+27%



Notes

1. Others includes Other Operating Income, Other Operating Expenses, and Share of the Profit on Investments Accounted for using the Equity Method in addition to Other in Operating Expenses. For FY6/2020 Q4, the impairment Loss Charge of Goodwill is illustrated in the figure separately.
2. MACROMILL, INC. and its consolidated subsidiaries implemented IFRS 16 Leases at the beginning of Q1 of FY6/2020. Under the former standard, IAS 17, lease payments for operating leases used to be expensed as rent, but under IFRS 16, the lessee recognizes the depreciation of right-of-use assets and interest costs for lease liabilities. As a result, with the adoption of IFRS 16, rents decrease while the depreciation of right-of-use assets increases, so EBITDA will rise. The effects of the implementation of IFRS 16 were negligible on each line of our consolidated statements of operations, namely revenue, operating profit, profit before tax and profit for the period.

Quarterly Headcount Trends

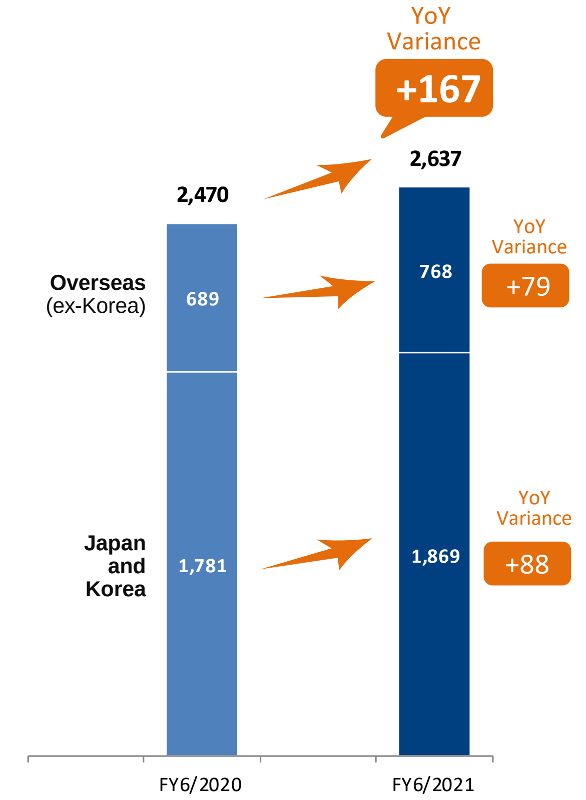
To meet the recovery in client demand, we increased headcount in both business segments

In addition, building a new operations team structure to promote work-style reform in Japan is essential

80% of the headcount increase in Q4 in the Japan and Korea Business segment is new graduates (71 people)

Headcount[1] (As of the end of the Quarter)

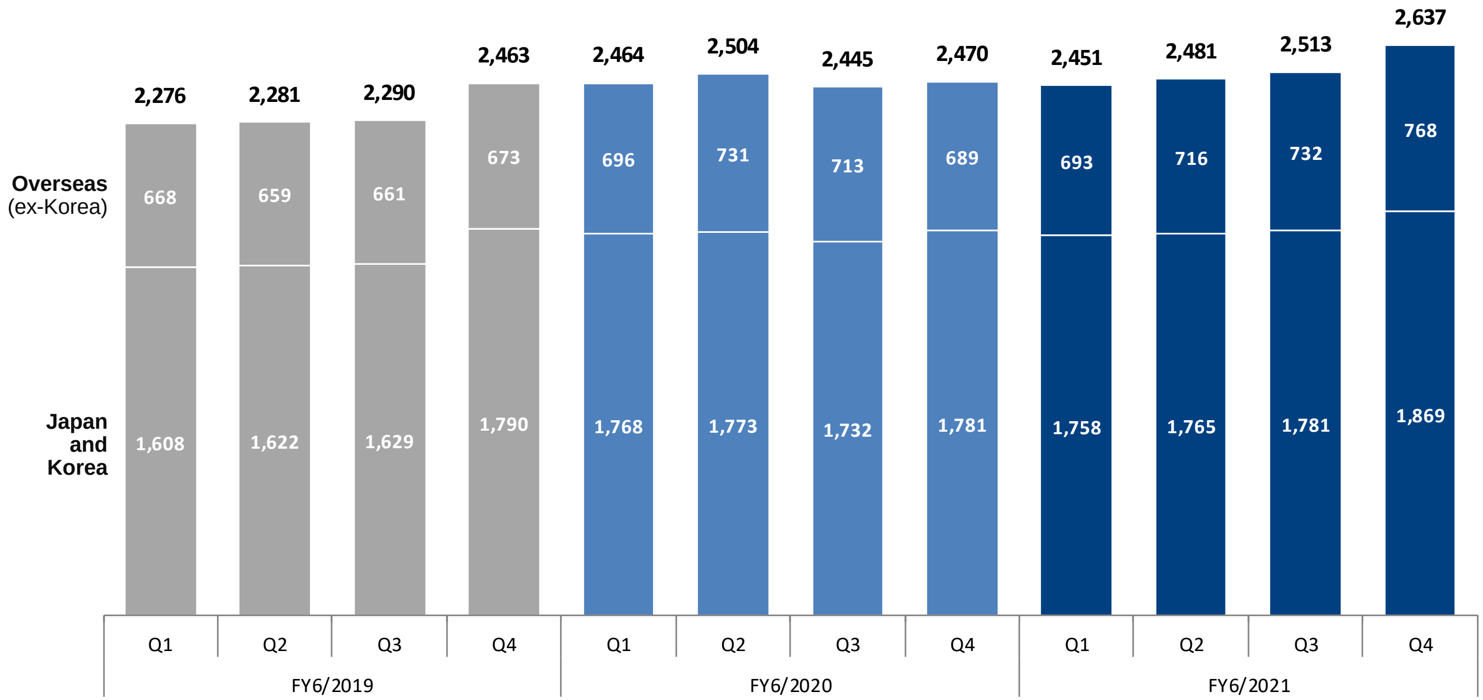
Consolidated
(Person)



Quarterly Headcount[1] Trends – By Segment

Consolidated
(Person)

YoY Variance	FY6/2019 Q1	Q2	Q3	Q4	FY6/2020 Q1	Q2	Q3	Q4
Consl. Total:	**+188**	**+223**	**+155**	**+7**	**-13**	**-23**	**+68**	**+167**
Overseas:	+28	+72	+52	+16	-3	-15	+19	+79
Japan & Korea:	+160	+151	+103	-9	-10	-8	+49	+88



Note

1. Headcount figures do not include temporary employees

Consolidated Statements of Financial Position (B/S)

Summary of Consolidated Statements of Financial Position

(JPY in Millions)	IFRS FY6/2020 (6/30/2020)	FY6/2021 (6/30/2021)	Variance
Total Assets	**77,150**	**84,041**	**6,890**
Cash and Cash Equivalents	13,310	19,079	5,769
Trade and Other Receivables	7,524	9,515	1,990
Property, Plant and Equipment	4,114	2,703	(1,411)
Goodwill	41,541	41,701	160
Japan and Korea Business Segment	39,137	39,144	6
Overseas (ex-Korea) Business Segment	2,403	2,556	153
Other Intangible Assets	7,241	6,948	(293)
Other Assets	3,418	4,093	675
Total Liabilities	**46,414**	**51,107**	**4,693**
Borrowings and Bonds	34,385	37,587	3,201
Current portion of Borrowings and Bonds	1,651	17,652	16,000
Long-term bowwoings and Bonds	32,733	19,934	(12,798)
Trade and Other Payables	3,066	4,266	1,199
Other Liabilities	8,962	9,254	291
Total Equity	**30,736**	**32,933**	**2,197**

FY6/2021 B/S Commentary

- Working capital :
  - Accounts Receivable turnover 78.4 days
  - Accounts Payable and Provision for panel points turnover 54.6 days
- Goodwill :
  - Slight fluctuation is due to FX valuation
- Borrowings and Bonds
  - Issued Domestic Straight Corporate Bonds totaling 15 billion yen in June 2021 (3-year bond in 5 billion yen and 5-year bond in 10 billion yen)
  - 10 billion yen was allocated to some prepayment of existing bank loan in June 2021 and 5 billion yen was allocated to redeem the first bond (3-year bond) maturing in July 2021
- Financing cost (excluding lease liabilities):
  - Q4 average interest rate 0.81% (FY6/2020 Q4 0.89%)
    - Borrowings 1.16%
    - Bonds 0.50%
  - Credit rating (from R&I): BBB+ (Outlook: Stable)
  - R&I has announced to maintain the credit rating in December 2020
- Leverage related (LTM base):
  - Net Debt/EBITDA: 2.33x (FY6/2020 2.76x)
    - Net Debt: 20,237 million yen
    - LTM EBITDA: 8,680 million yen
  - Interest Coverage Ratio:
    -12.92x (FY6/2020 Q4 14.56x*)
    (*excluding the impairment loss on goodwill recognized in the previous fiscal year)
- Capital efficiency related (LTM base) :
  - ROE: 9.94% (down 0.13pt YoY*)
    (*excluding the impairment loss on goodwill recognized in the previous fiscal year)

Consolidated Statements of Cash Flows (C/F)

Summary of Consolidated Statements of Cash Flows

(JPY in Millions)	IFRS Full Year FY6/2020	IFRS Full Year FY6/2021
Cash Flows from Operating Activities	7,785	6,023
Profit (Loss) before Tax	8	4,887
Depreciation and Amortization	2,783	3,016
Impairment Loss	5,280	–
Finance Income and Costs	388	474
Change in Working Capital [1]	994	(856)
Others [2]	572	143
Sub Total	10,027	7,665
Interest and Dividends Received	12	14
Interest Paid	(295)	(237)
Income Taxes Paid	(1,958)	(1,418)
Cash Flows from Investing Activities	(2,157)	(1,133)
Capex [3]	(1,922)	(1,142)
Acquisition of Subsidiaries	(279)	-
Others [2]	44	8
Free Cash Flows [4]	5,923	5,128
Cash Flows form Financing Activities	(2,395)	631
Proceeds from Borrowings and Bonds [5]	273	14,990
Repayment of Borrowings [5]	(1,651)	(11,652)
Repayment of Lease Liabilities	(1,290)	(1,302)
Proceeds from Issue of Shares	155	27
Proceeds from share issuance to non-controlling shareholders	850	–
Purchase of treasury stock	–	(727)
Others [2]	(732)	(703)

FY6/2021 Full Year C/F Commentary

- Cash flows from operating activities 6,023 (down 22% YoY)
  - Increase in income before tax 4,879
  - Impairment loss recognized in FY6/2020 5,280
  - Decrease due to net of an increase in accounts receivable and accounts payables in line with higher sales 1,851
- Cash flows from investing activities -1,133 (down 47% YoY)
  - Decrease in capex such as IT investments -780
  - Dismiss of settlement of deferred consideration for acquisition of US subsidiary in FY6/2020 -279
- Free cash flows 5,128 (down 13% YoY)
- Cash flows from financing activities 631 (2,395 spending YoY)
  - Increase in early repayment of bank loan 10,000
  - Increase in issuance of Straight Corporate Bonds 14,939
  - Increase in purchase of treasury stocks 727
- Increase in cash and cash equivalents 5,769

	IFRS Full Year FY6/2020	IFRS Full Year FY6/2021
Increase/(decrease) in Cash Equivalents	3,232	5,521
Cash and Cash Equivalents at the beginning of the period	10,102	13,310
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(24)	247
Cash and Cash Equivalents at the end of the period	13,310	19,079

Notes

1. The sum of Decrease (Increase) in Trade and Other Receivables and Increase (Decrease) in Trade and Other Payables
2. Others in Cash Flows from Operating Activities are the sum of Share of the Profit or Loss on Investments Accounted for using the Equity Method and Other. Others in Cash Flows from Investing Activities are the sum of Proceeds from the sale of property, plant and equipment, Proceeds from Sale of Investments and Other.
   Others in Cash Flows from Financing Activities are the sum of Dividends paid, Dividends Paid to Non-controlling Interests and Other.
3. The sum of Purchase of Property, Plant and Equipment and Purchase of Intangible Assets
4. Free cash flow = Cash flows from operating activities ± cash flows from investing activities - interest paid
5. The sum of Long-term Borrowings and Short-term Borrowings

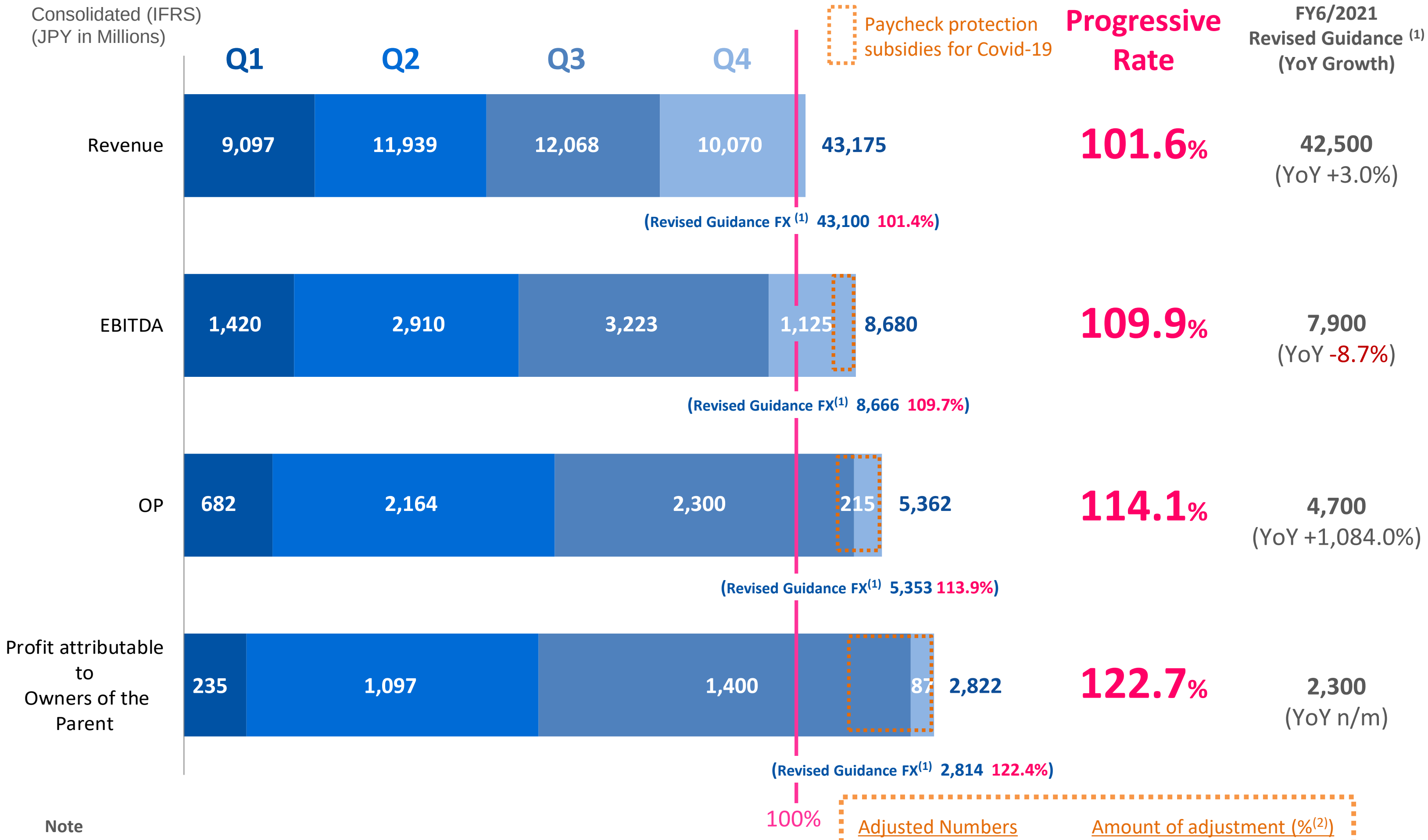
FY6/2021 Results: % of Achievement vs. Guidance

Both Revenue and Profits overachieved the upwardly revised guidance in Q3

The paycheck protection subsidies for Covid-19 were the main reasons for the overshoots in profits

Total shareholder return hit 46.8% due to increase in dividend (JPY 13.0/Share) and JPY 800M share buyback

FY6/2021 Actual vs. FY6/2021 Revised Guidance （Disclosed May 13, 2021）



- **Revenue “Exceeded expectation”**
  - Both Segments achieved the guidance assumptions
- **EBITDA/Operating Profit/ Profit Attributable to Owners of the Parent: “Outperformed expectation”**
  - In addition to revenue, costs were in-line with expectation
  - Covid-19 related subsidies of JPY 340 million in Oversea Business Segment contributed to the outperformance of profit
- **FX: “Slightly tailwind”**
  - JPY is weaker against Euro and KRW than the guidance rate

Adjusted Numbers		Amount of adjustment (%[2])	
EBITDA:	8,339	341	(3.9%)
OP:	5,021	341	(6.4%)
Net Income[3]:	2,495	327	(11.6%)

Note

1. Company revised guidance for FY6/2021 are based on FX rate of 1Euro = JPY 126.40 and 1KRW = JPY 0.0935
2. The ratio of the paycheck protection subsidies to each unadjusted profits
3. Profit Attributable to Owners of the Parent

FY6/2022 Guidance

Close to 10% Revenue growth is anticipated with continued recovery of strong client demand in global bases

Aim to achieve positive OP & Net Income[2] growth on an adjusted basis (excl. paycheck protection subsidies)

Due to the completion of the share buyback program, we anticipate double-digit growth in EPS[2]

FY6/2022 Guidance

Consolidated (IFRS) (JPY in Millions)	FY6/2021		FY6/2022	Nominal Base		Adjusted Base	
	FY6/2021 Actual (a)	FY6/2021 Adjusted (b)	FY6/2022 Forecast (c)	Variance (c-a)	YoY Growth (c/a)	Variance (c-b)	YoY Growth (c/b)
Revenue	43,175	43,175	47,400	+4,225	+9.8%	+4,225	+9.8%
EBITDA	8,680	8,339	7,900	(780)	(9.0%)	(439)	(5.3%)
Operating Profit	5,362	5,021	5,100	(263)	(4.9%)	+79	+1.6%
Profit attributable to owners of the parent	2,822	2,494	2,700	(122)	(4.3%)	+205	+8.2%
(Per Share Data)							
EPS[1] (Yen)	+70.08	+61.96	+68.47	(1.61)	(2.3%)	+6.51	+10.5%
Divident per share (Yen)	+13.00	+13.00	+16.00	+3.00	+23.1%	+3.00	+23.1%
(FX Assumptions)							
JPY/EUR (Yen)	127.06	–	130.00				
JPY/KRW (Yen)	0.0940	–	0.0960				

Note
1. Basic Earnings per Share
2. Profit Attributable to Owners of the Parent

Main premises

- **Revenue**
  - Even though some products may continue to be affected by Covid-19, the demand recovery of main product, online survey, is expected. In addition, revenue is expected to grow in new businesses
- **EBITDA, Operating Profit and Net Income**
  - Outsourcing and employee expenses are expected to increase faster than revenue growth. Although we continue to hire to deal with capacity shortage, it takes some time to ensure enough resources
  - The office rent related costs are expected to decrease by total of JPY 400 million with JPY 180 million reduction of annual office rent from FY2022 and JPY 220 million one-off cost incurred in FY2021 due to cancellation of a part of office
  - The profit is still expected to decrease since the increase in outsourcing and employee expenses is greater than the decrease in office rent

- **Dividend per share**
  - EPS is expected to grow at a double-digit pace, exceeding the growth of net income, due to the share buyback in FY2021
  - Interim dividend is newly planned in FY2022. JPY 8.0 per share is planned in 1H and 2H, respectively (3.0 yen increase in dividend which is 1.0 yen higher than the conventional pace)

FY6/2022 Guidance: Half year Breakdown

Guidance and YoY Growth Rate (* Growth rate and commentary are after adjusting paycheck protection subsidies)

	Full Year	1H	2H
Revenue	47.4bn JPY (YoY Growth +9.8%)	23.3bn JPY (YoY Growth +10.8%)	24.1bn JPY (YoY Growth +8.9%)
EBITDA	7.9bn JPY (YoY Growth -5.3%)	3.4bn JPY (YoY Growth -21.1%)	4.5bn JPY (YoY Growth +11.7%)
OP	5.1bn JPY (YoY Growth +1.6%)	2.0bn JPY (YoY Growth -29.2%)	3.1bn JPY (YoY Growth +41.2%)
Net Income(1)	2.7bn JPY (YoY Growth +8.2%)	0.9bn JPY (YoY Growth -32.1%)	1.8bn JPY (YoY Growth +53.9%)

- **Revenue**
  - Revenue in both 1H and 2H are expected to grow. Some businesses such as off-line survey business may continue to struggle with Covid-19, but the revenue from online survey and digital businesses are expected to increase as well as revenue from new businesses
- **EBITDA/OP/Net Income**
  - Expense assumptions
    - Outsourcing and Panel expenses: outsourcing expenses are expected to grow faster than revenue growth since the capacity shortage will not be resolved in 1H. Outsourcing expense ratio is expected to improve in FY23 and onwards though it is expected to improve gradually from 2H in FY22
    - Total employee expenses: the number of employees is expected to increase due to hiring for resolving capacity shortage issue and accelerating new businesses
  - EBITDA/OP/Net Income assumption
    - EBITDA/OP/Net Income are assumed to decrease in 1H due to outsourcing and employee expenses in 1H but they are expected to improve significantly in 2H as investment in capacity will start to pay off

Note

1. Profit Attributable to Owners of Parent

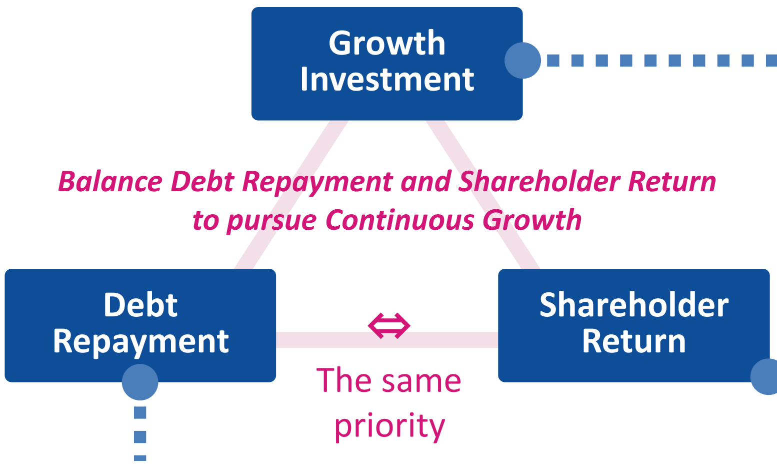
Capital Allocation

"Growth investment" remains our top priority going forward

Both "Debt Repayment" and "Shareholder Return" are set at the same priority level (= Enhance shareholder return)

Maintain the dividend increase momentum to achieve 20 - 30% of the Consolidated Dividend Payout Ratio, and conduct share buyback in a timely manner

Priority in Capital Allocation



Specific plan for "Growth Investment"

- Growth Investment remains our Top Priority
- Strategic up-front investment in talent is in progress

Specific plan for "Debt Repayment"

- Repay existing debt as planned, and aim to control the leverage ratio within the target level (Net Debt / EBITDA ratio target: 2.0x – 2.5x)
- The Group will not actively pursue a net-cash position after reaching the target leverage ratio

Specific plan for "Shareholder Return"

- Setting shareholder return and debt repayment at the same priority
  - Maintain the dividend increase momentum, and aim to achieve 20 - 30% dividend payout ratio at the consolidated level
- Conduct share buyback in a timely manner based on the stock price level if there are cash surpluses

Japan and Korea Business

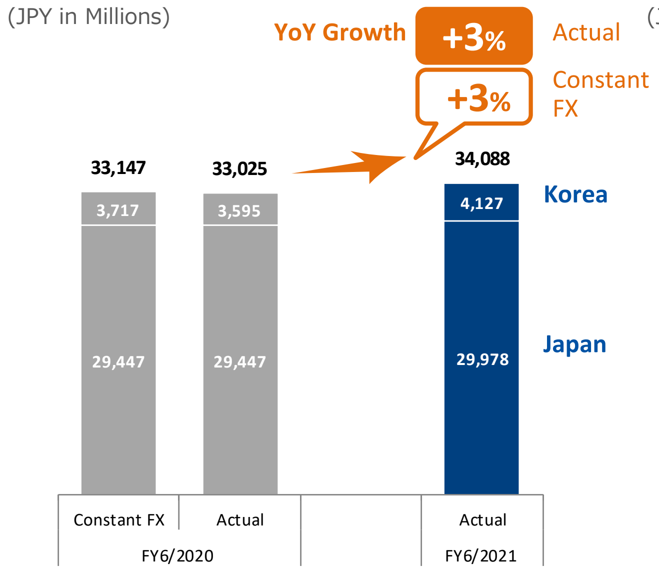
Segment Update

FY6/2021: Segment Performance Summary

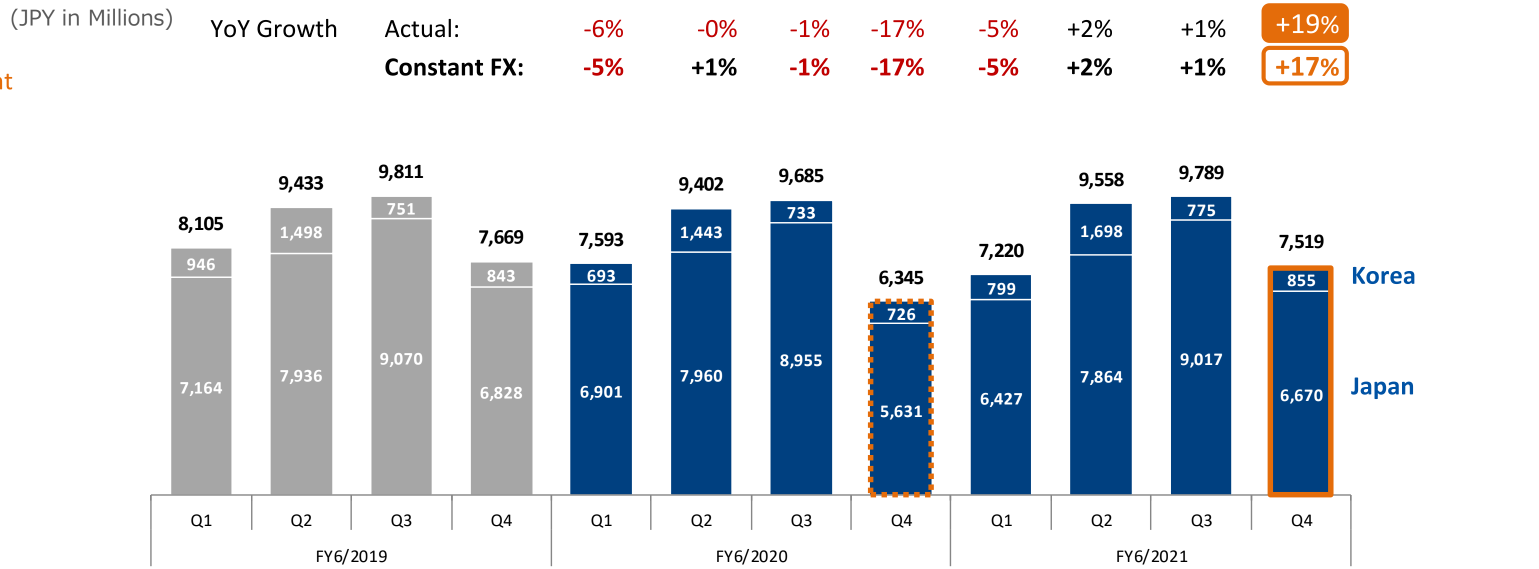
Q4 Revenue increased significantly YoY and YTD Revenue growth turned to positive YoY

The decrease in OP continued due to increase in outsourcing expense and investment in talent to meet rapid recovery of client demand

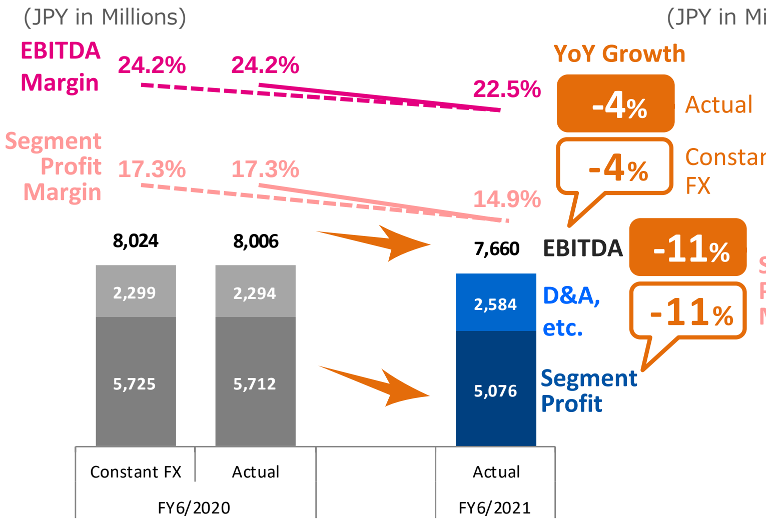
Segment Revenue (12 Months)



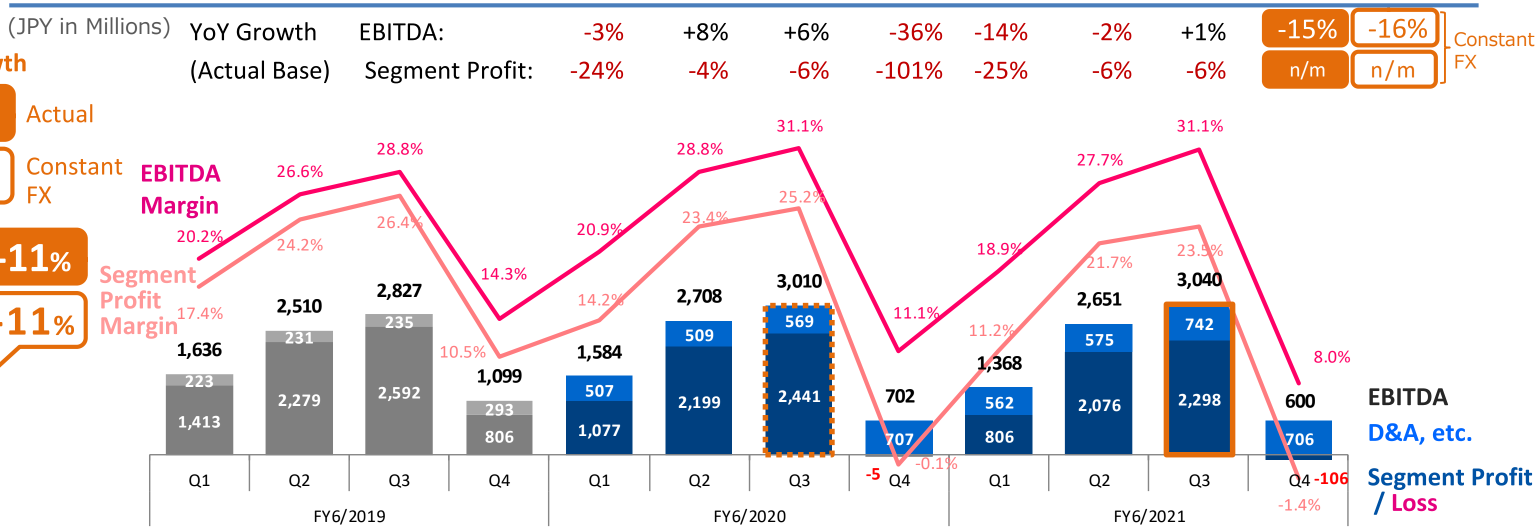
Quarterly Segment Revenue Trends



Segment EBITDA and Profit (12 Months)



Quarterly Segment EBITDA and Profit Trends



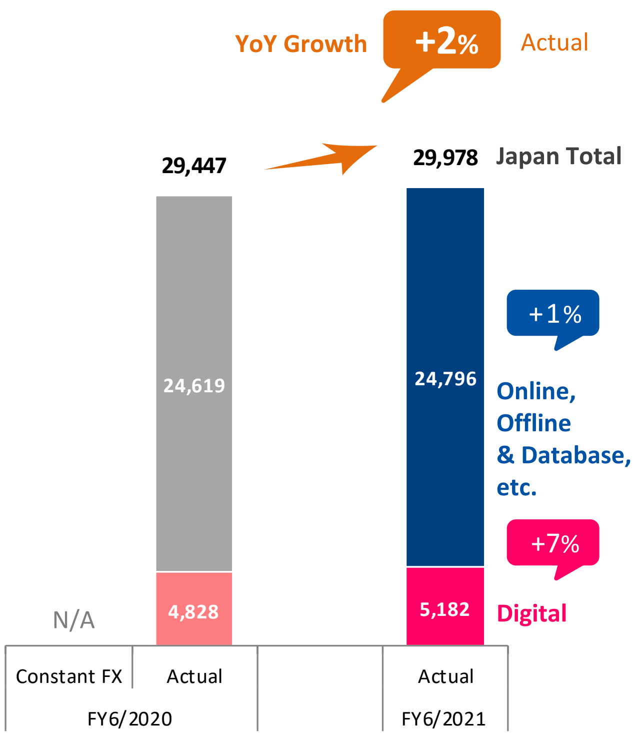
FY6/2021: Japan Business - Summary

Despite the partial Offline service suspension due to the redeclaration of the State of Emergency in Japan, Q4 Revenue achieved double-digit growth led by the growth of Online research and Digital revenue

Based on that, Full-Year Revenue turned into positive growth

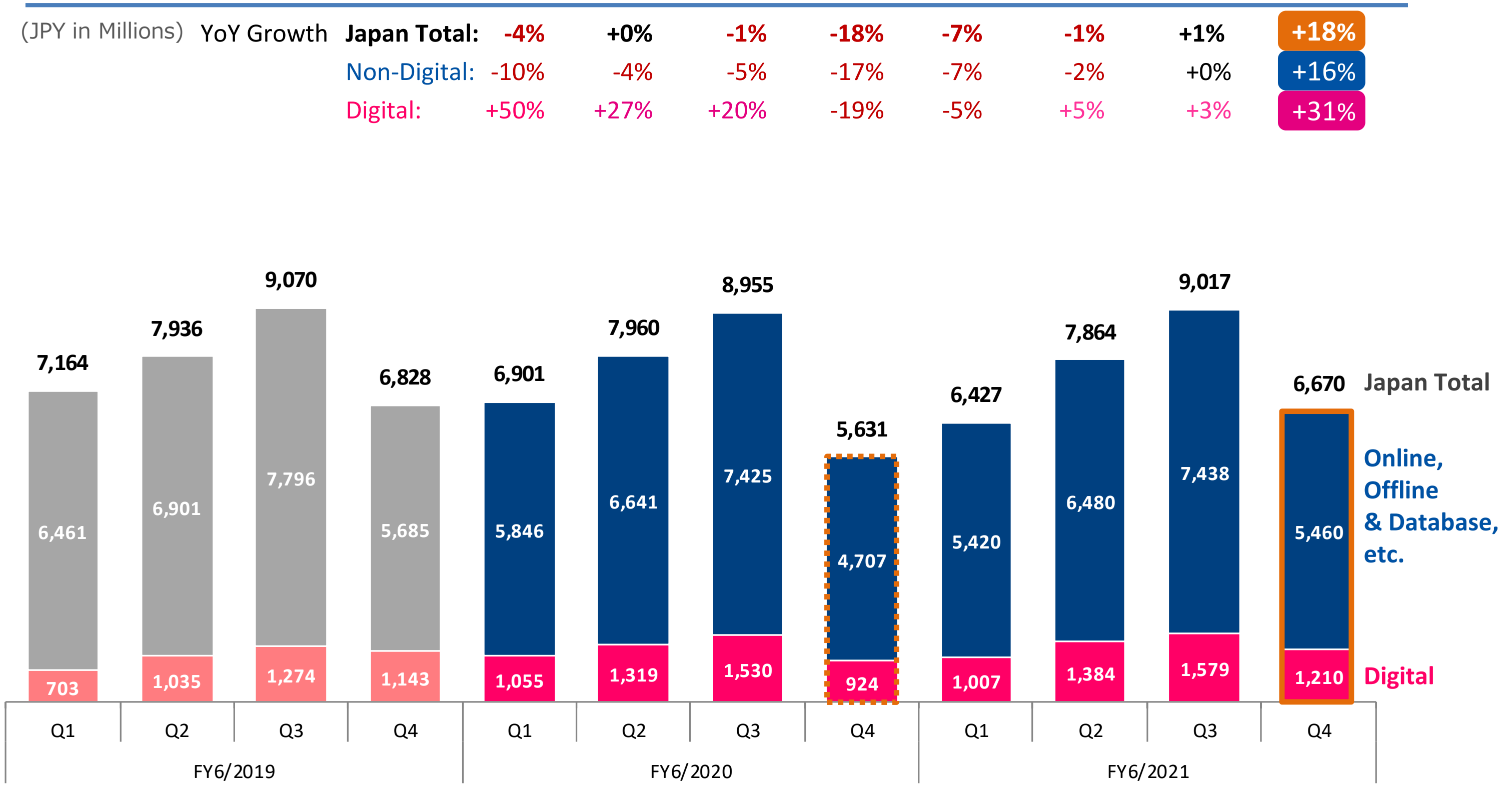
Japan Revenue (12 Months)

(JPY in Millions)



Quarterly Japan Revenue Trends

(JPY in Millions)



Our Growth Driver: "Digital" Revenue

- Vast majority of our "Digital" Revenue in Japan comes from two solution sets, "AccessMill" and "DMP Solution". Brief summary of each solution below:

"AccessMill"

- A research service that provides targeted research based on actual log data from online advertisement exposures or a specific website visitor based on the log data of Macromill panels who share cookie information or mobile ad ID.

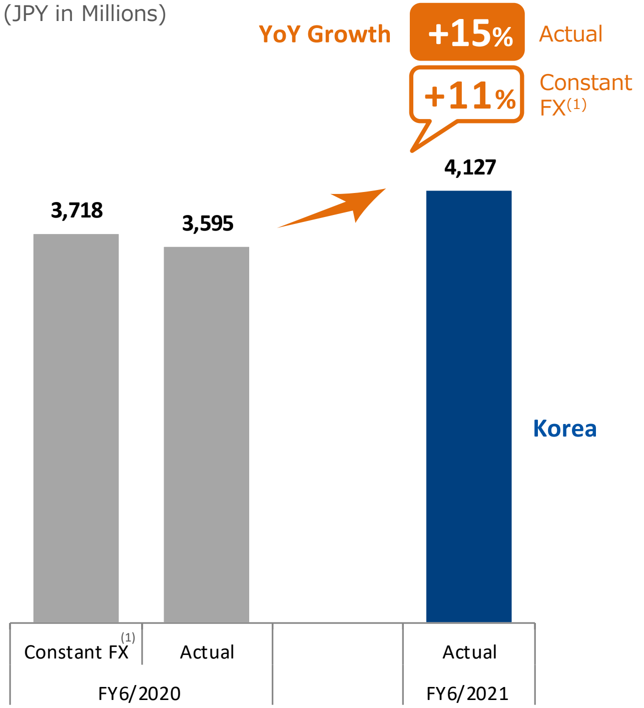
"DMP Solution"

- Support for building Data Management Platform (DMP), link data with DMP by providing demographic information, conducting surveys, and other information on Macromill panels synchronized with customer IDs in a corporate DMP or users in an advertising agency DMP.

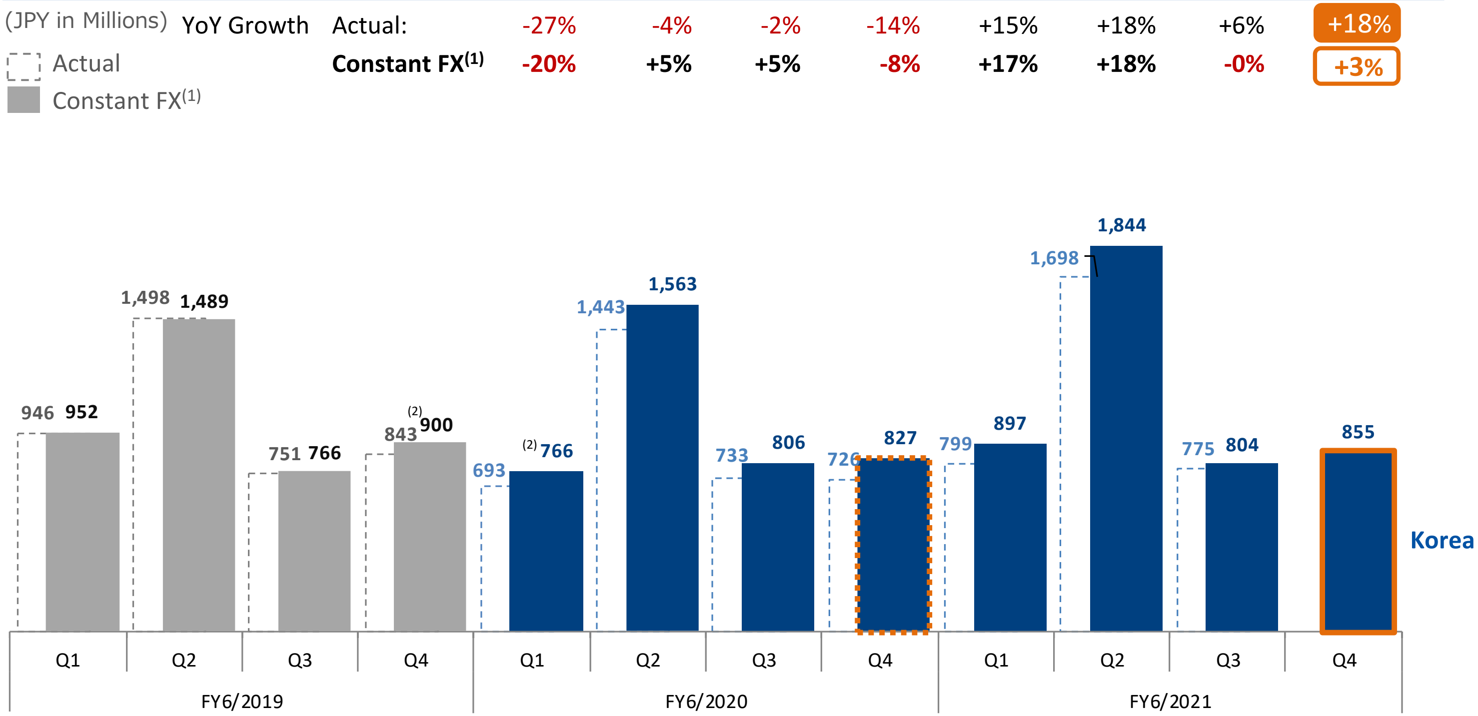
FY6/2021 : Korea Business Summary

Achieved the double-digit Revenue growth in Full-Year base led by the shift from Offline Research to Online Research

Korea Revenue (12 Months)



Quarterly Korea Revenue Trends



Q4 Korea Business Performance Commentary

- Some of the employees were infected with Covid-19 in Q4 which partially closed the office for three weeks, and Q4 Revenue growth remained in single-digit YoY
- However, we have continuously achieved over 20% growth in Online Research in both Q4 and YTD with our clear competitive advantage. As the shift from Offline Research to Online Research accelerates, we captured the business opportunity and grew in the Korean market
- The Macromill Group is the only research company that owns a proprietary consumer panel in Korea. We aim to further expand digital Revenue by leveraging this asset. We are preparing to launch a new purchase data service similar to the Japan purchase panel, QPR
- Digital will continue to be our growth driver this year and beyond, including expansion of new digital services around our panel data

Notes

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance
2. The Macromill Group's business entity in Korea, Macromill Embrain shifted a part of the Revenue, from which Macromill Group has recorded in FY6/2019 Q4 at the consolidated level, to FY6/2020 Q1 as a result of the discussion for the listing on the KOSDAQ market of Korea Exchange in July 2020 with an auditory corporation. As a result, please be aware that the Group consolidated financial disclosure and Embrain's financial disclosure has some misalignment of timing between the concerned quarters.

Overseas (ex-Korea) Business

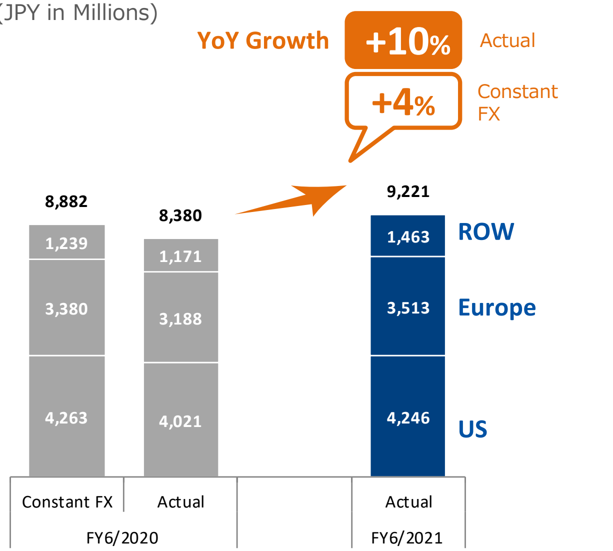
Segment Update

FY6/2021 : Segment Performance Summary

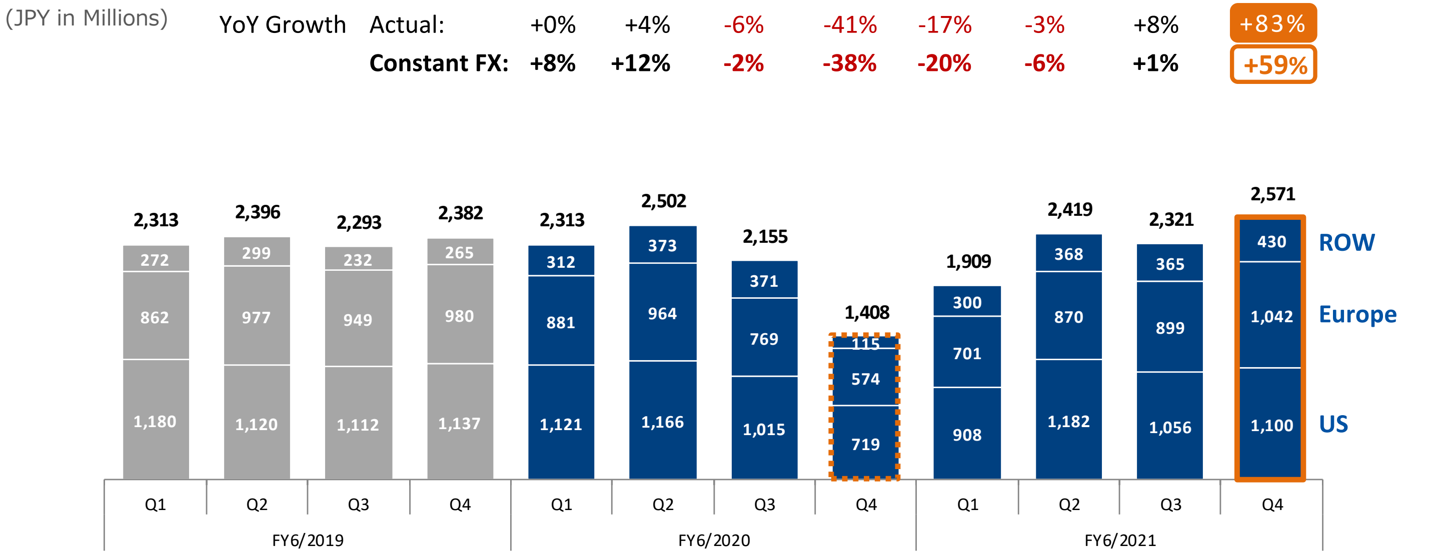
Q4 standalone Revenue recovered significantly, and the YTD Revenue turned to positive growth YoY

Further OP recovery continues, bolstered by approx. 300M JPY paycheck protection subsidies in Q4

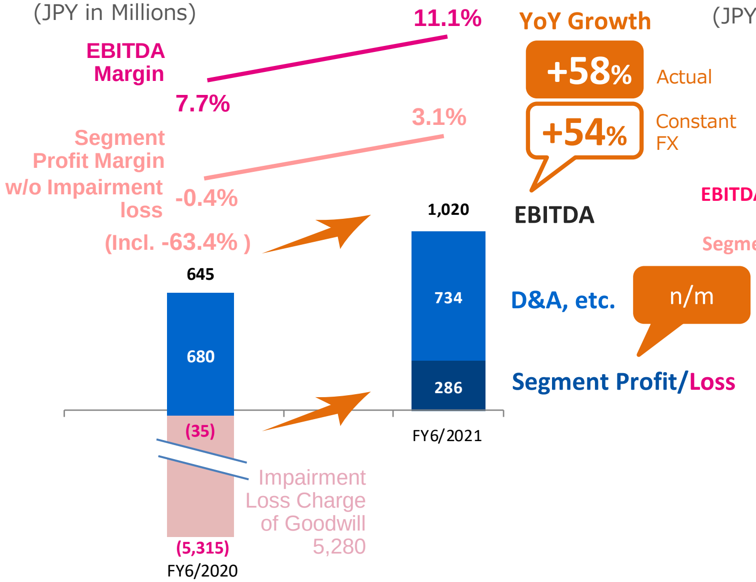
Segment Revenue (12 Months)



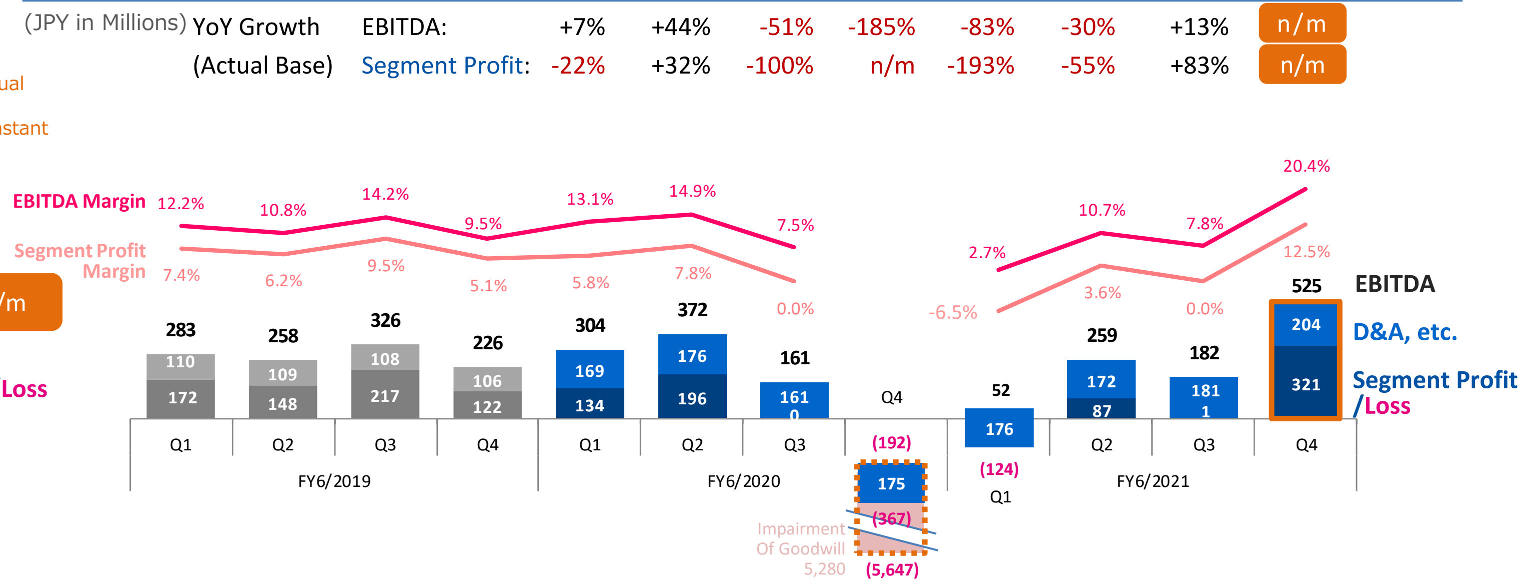
Quarterly Segment Revenue Trends



Segment EBITDA and Profit (12 Months)



Quarterly Segment EBITDA and Profit Trends

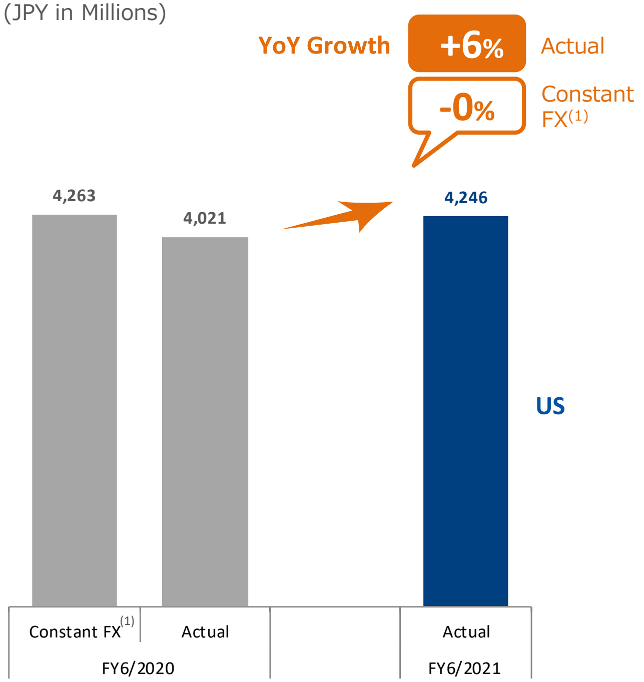


FY6/2021 : US Business Summary

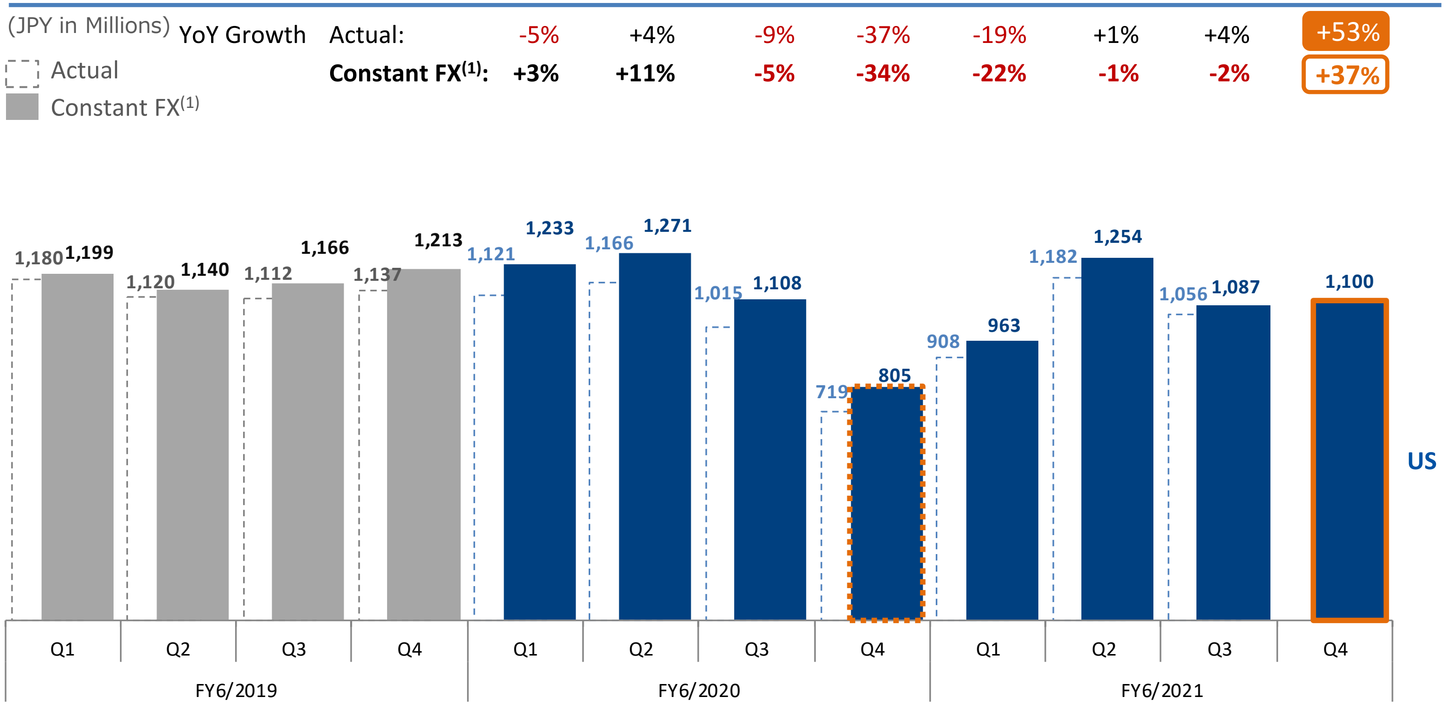
Similar to the entire Overseas segment performance, Q4 US Revenue recovered significantly YoY, and the YTD Revenue turned to positive growth

The result was supported by share of wallet expansion in existing clients and the enhanced approach in strategic accounts

US Revenue (12 Months)



Quarterly US Revenue Trends



Q4 YTD US Business Commentary

- Q4 Revenue recovered significantly YoY. It was -9%(CFX) in Q3, but YTD Revenue turned to positive growth YoY
- The US YTD Revenue is at a similar level to the previous year, and some industries are still affected by Covid-19
  Compared to the pre-Covid-19 performance, the US business is in the recovery phase
- Revenue in some strategic accounts has exceeded YoY and share of wallet expansion continues

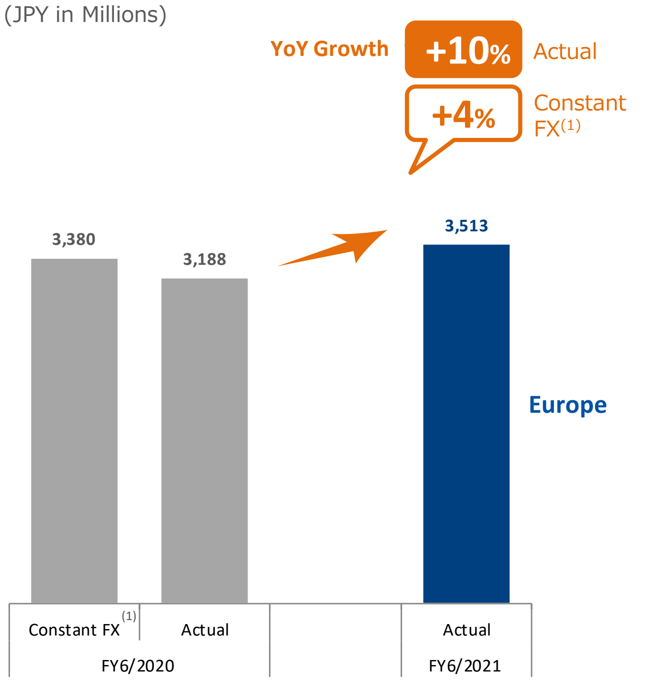
Note
1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

FY6/2021 : Europe Business - Summary

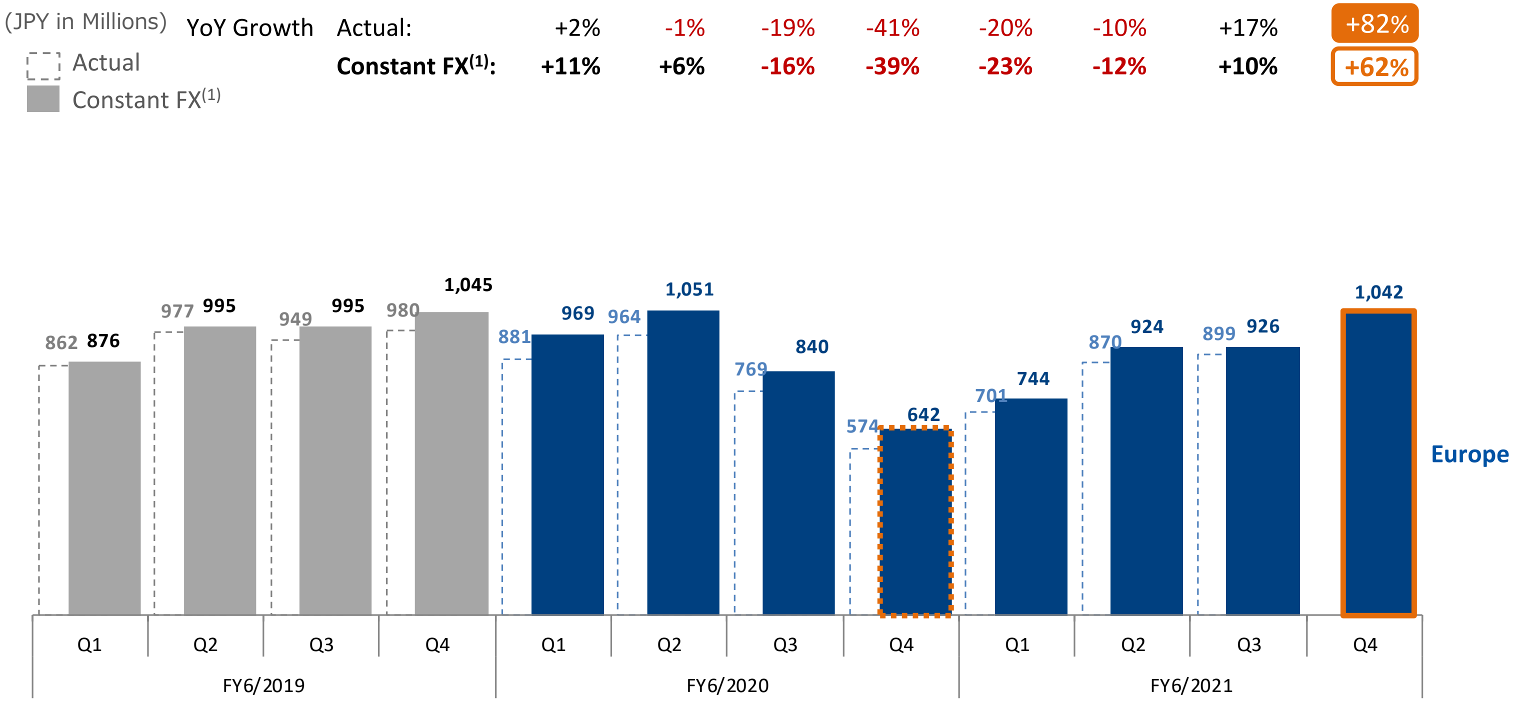
Q4 Revenue significantly recovered to the pre-Covid-19 level and YTD Revenue turned to positive growth YoY

Winning cross-regional and global mandates supported this recovery

Europe Revenue (12 Months)



Quarterly Europe Revenue Trends



Q4 YTD Europe Business Performance Commentary

- Q4 Revenue significantly recovered to a level comparable to the pre-Covid-19 level
- The UK recovery led the Revenue growth of Europe Business
- As a result, YTD Revenue turned to +4% growth versus -9% (CFX) YoY in Q3
- Food and FMCG industries are in a growth trend and winning global competitions in some strategic accounts led this recovery

Note

1. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

FY6/2021 : ROW(1) Business - Summary

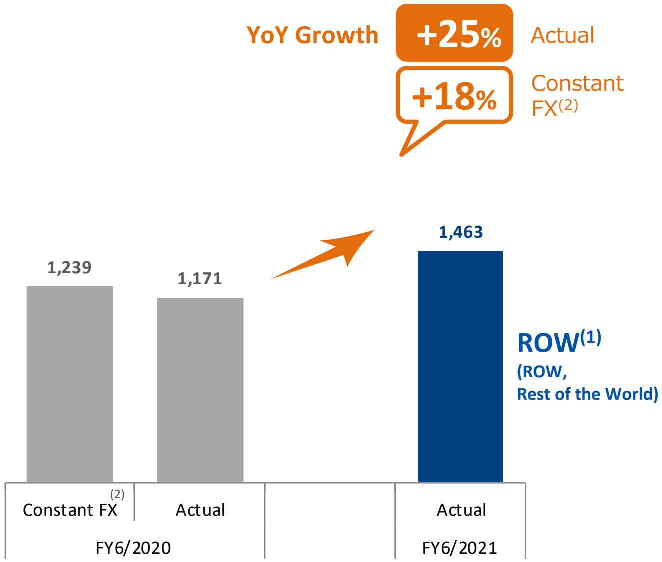
ROW

Q4 Revenue significantly recovered beyond the pre-Covid-19 level and achieved double-digit growth YTD

Global expansion from winning mandates led Q4 Revenue growth recovery

ROW Revenue (12 Months)

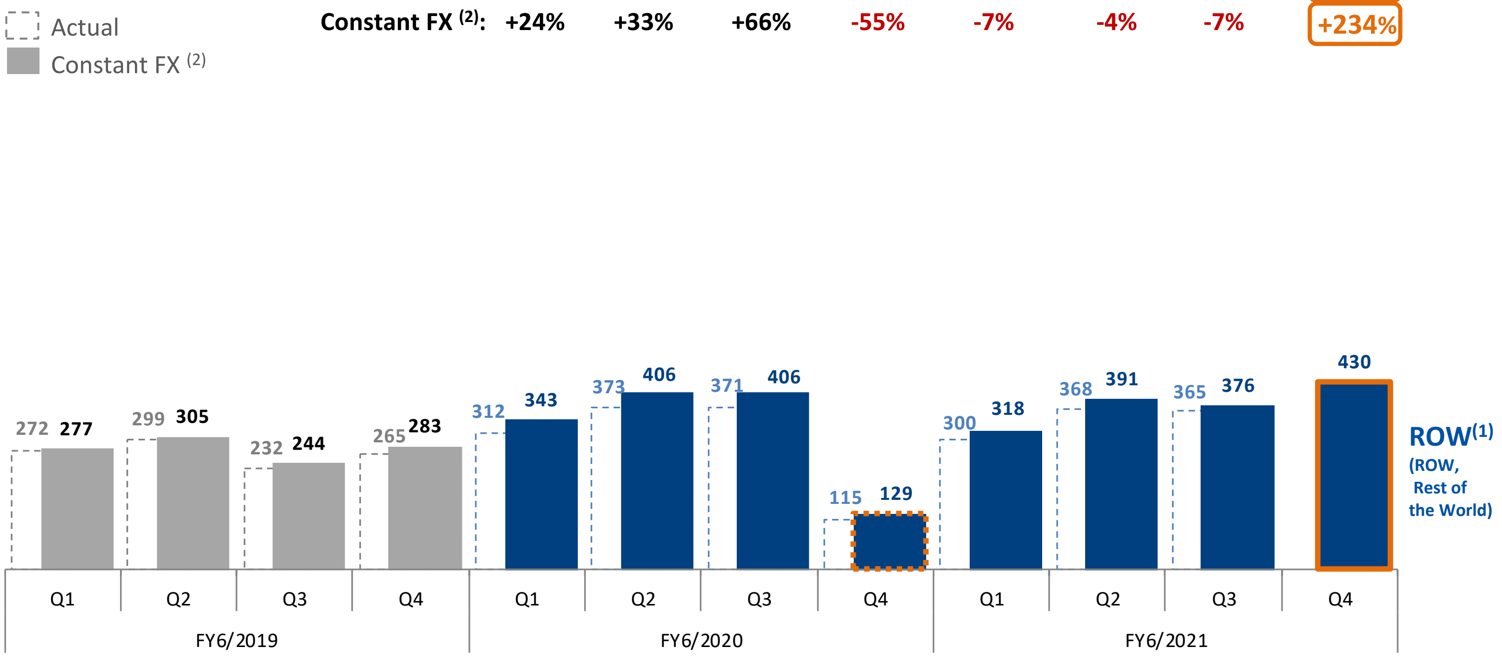
(JPY in Millions)



Quarterly ROW Revenue Trends

(JPY in Millions)

YoY Growth	FY6/2019 Q1	FY6/2019 Q2	FY6/2019 Q3	FY6/2019 Q4	FY6/2020 Q1	FY6/2020 Q2	FY6/2020 Q3	FY6/2020 Q4
Actual:	+15%	+25%	+60%	-57%	-4%	-1%	-2%	+274%
Constant FX (2):	+24%	+33%	+66%	-55%	-7%	-4%	-7%	+234%



Q4 YTD ROW Business Performance Commentary

- Q4 Revenue recovered beyond the pre-Covid-19 level due to global expansion from winning mandates as well as share of wallet expansion with FMCG clients
- The Q4 recovery turned the YTD Revenue to +18% positive growth. The YTD Revenue was -6% YoY in Q3
- The outlook forecast is a continuous recovery trend, and enhancing research operation talents through our integration in India

Notes

1. ROW consists of subsidiaries in Latin America, Middle East and Asian sales territories, excluding Japan and Korea
2. Please refer to the common footnotes on p.2 for the calculation method of the Constant FX and its significance

Mid-Term Business Plan
(up to FY6/2024 for 3 years)
& FY6/2022 Guidance

Mid-Term Business Plan

Revised the Mid-term Business Plan (MTBP) based on the changes in business performance trends and surrounding environment due to Covid-19

Our Mid-term goal to become “Global Top10” and “No.1 in Japan and No.1 in Asia” remains unchanged

Consolidated Financial Target

	FY6/2021 (Actual)	New MTBP Target FY6/2024 (in 3 years)
Revenue	Revenue JPY 43.1bn	Revenue JPY 57.0bn Implied Annual Growth Rate: 9.7% (3Y CAGR)
Profits	OP Margin 12%	OP Margin 15%
	Consolidated ROE(1) 9.9%	Consolidated ROE(1) 10% +
Leverage	Credit Rating (R&I) BBB+ (Stable) + Net Debt/EBITDA 2.3x	Maintain credit rating BBB+ or higher + Net Debt/EBITDA 2.0x – 2.5x
Shareholder Return	Consolidated dividend payout ratio 18.1% + Share Buyback JPY 0.8bn (vs NSO(2) 2.3% :)	Consolidated dividend payout ratio 20%~30% + Share Buyback in a timely manner

Note
1. ROE: Return On Equity; 2. NOS: Number of Shares Outstanding

Mid-Term Business Plan (Cont'): Establishing New Vision

In advance of MTBP update, we renewed our corporate vision based on future outlook of surrounding business environment

Going forward, we will pursue further business growth with the new group vision, "Build your Data Culture"

New Macromill Group Vision

Mission

Our Mission is to create innovative data and insights that drive clients' smarter decisions.
We focus on creating an environment where employees can maximize their potential while building a profitable and valuable company.

New Vision

Build your Data Culture

We aspire to be the driving force
in helping our clients build data cultures
by utilizing our data-native approach to solve today's marketing challenges and support business success.

Mid-Term Business Plan (Cont')

The trends until FY6/2024 for Revenue, Operating Profit, and OP Margin are anticipated as below

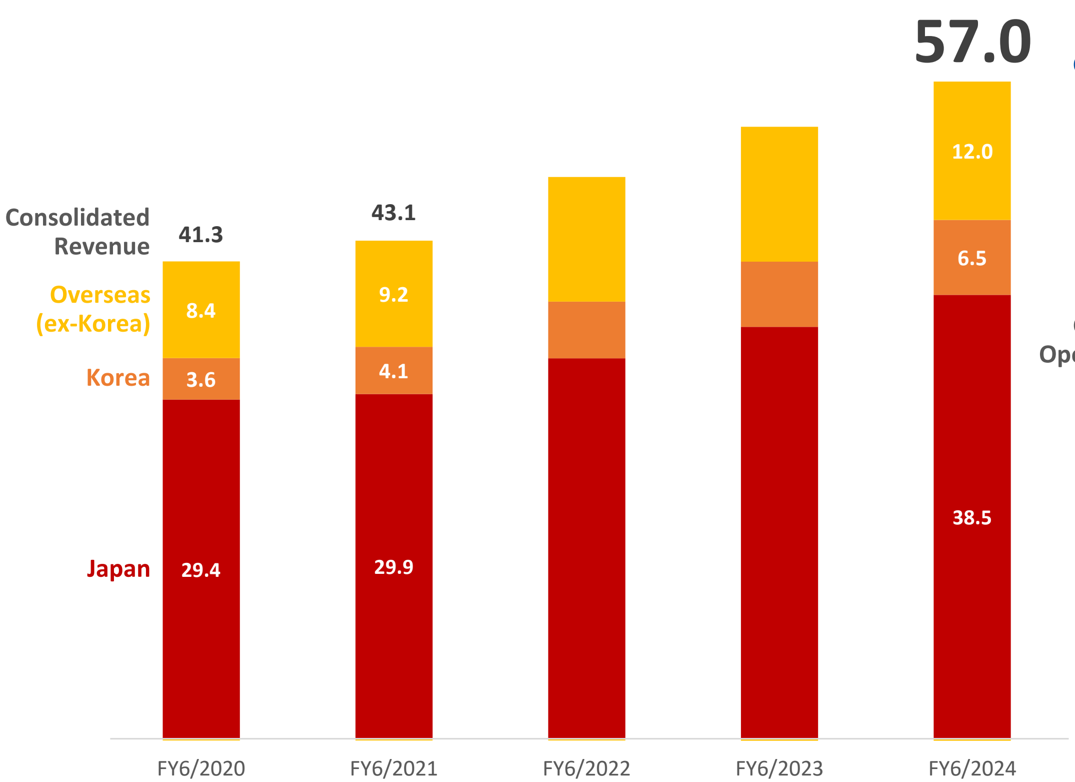
For the Japan business, we aim to achieve the target with the mixture of "Research Business" and "Digital and Other New Business" described on the next page

Anticipated Consolidated Revenue Trend

(JPY in Billions)

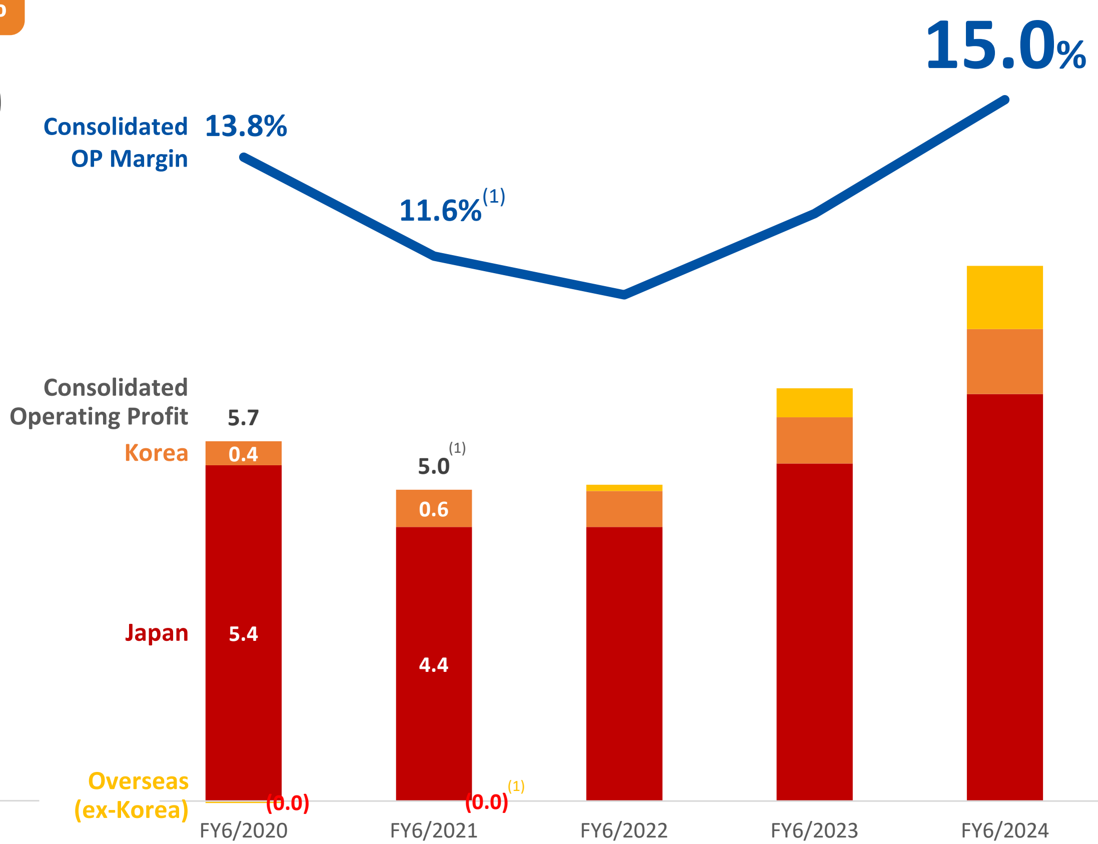
3 Year CAGR during the MTBP

+9.7%



Anticipated Consolidated Operating Profit (OP) and OP Margin Trend

(JPY in Billions)



Note

1. FY6/2021 Consolidated OP Margin, Consolidated OP and its breakdown are adjusted base, excluding the impact of paycheck protection subsidies related to Covid-19

Japan Business: Outlook for Next 3 Years

Aim to achieve target Revenue with higher growth in "Digital and Other New Business" and maintain stable growth in "Research Business" co-working with all group companies in Japan

Japan Business Breakdown

	Research Business	Digital and Other New Business
Business Entities	MACROMILL a Macromill Group company + DENTSU MACROMILL INSIGHT a Macromill Group company (Joint venture with Dentsu) + H. M. MARKETING RESEARCH a Macromill Group company (Joint venture with Hakuhodo) + other consolidated subsidiaries	
Classification	■ Online Research Business (Market share 32%, 1st position) ■ Conventional Research Business (Market share 10%+) – Offline Research, such as FGI, DI, CLT, HUT(1), etc. ■ Database business: Purchase data (QPR, MHS, etc.) sales, etc.	■ Digital Business ■ Data Utilization Support (Data Consulting) ■ Marketing Support (Solutions (i.e. Ads, etc.)) ■ Other new business （Life Science, Southeast Asia, etc.）
Target Growth Rate	Annual Growth Rate: **6**% (3Y CAGR)	Annual Growth Rate: **20**% (3Y CAGR)
Target Revenue in FY6/2024	FY6/2021 JPY 24.1bn ➡ JPY **28.5**bn (56% ⇒ 50%) Composition Ratio in Consl. Revenue	FY6/2021 JPY 5.8 bn ➡ JPY **10.0**bn (13% ⇒ 18%) Composition Ratio in Consl. Revenue

Note

1. FGI: Focus Group Interview; DI: Depth Interview; CLT: Central Location Test; HUT: Home Use Test (For more information, please refer to solution portfolio page in Appendix)

Overseas Business: Outlook for Next 3 Years

ROW

Regarding the Overseas business, we aim to demonstrate its strength corresponding to each market

As a result, we aim to achieve the following target growth rate and Revenue, respectively

	Korea Business	Overseas (ex-Korea) Business
Business Entities	EMBRAIN a Macromill Group company	METRIXLAB a Macromill Group company
Market size and Market growth[1]	■ Market size: Total JPY 55.0bn / Online Research JPY 18.2bn ■ Growth rate (5Y CAGR): Total 1.4% / Online Research 5.6%	■ Market size: Total USD 46.5bn / Online Research USD 20.2bn ■ Growth rate (5Y CAGR): Total 1.2% / Online Research 10.8%
Market position and strength	■ No.1 in Korean Online Research Market – Continue to leverage the strengths of Online and Digital ■ Moved up to 4th place in overall Marketing Research	■ Disruptor/ Challenger against the Big 4 firms – Capable of competing for global client shares even as an emerging player ■ Market share is still limited in outside of Japan and Korea
Target Growth Rate	Annual Growth Rate: 16% (3Y CAGR)	Annual Growth Rate: 9% (3Y CAGR)
Target Revenue in FY6/2024	FY6/2021 JPY 4.1bn → JPY 6.5bn (10% ⇒ 11%) Composition Ratio in Consl. Revenue	FY6/2021 JPY 9.2bn → JPY 12.0bn (21% ⇒ 21%) Composition Ratio in Consl. Revenue

Note

1. Market size in 2019, Market growth rate (5Y CAGR) between 2014 and 2019 (Source: ESOMAR, Global Market Research (2020/9, 2019/9, 2015/9)); FX Assumption 1 USD = JPY 110 and 1KRW = 0.0940

Outlook for Expenses and Profits

The increasing pace of Operating Expenses slows after building a new operations team structure

Aim to expand OP Margin by achieving Revenue increase at a faster pace than Operating Expenses increase (Operating leverage)

Anticipated steps to expand OP Margin

	Outsourcing Exp.	Total Employee Exp.	Key points
1st Step	Material Increase	Material Increase	Increase Outsourcing Expenses and Total Employee Expenses to build a new operations team structure for demand growth, etc.
2nd Step	Increase slower than Revenue growth	Material Increase	Utilize internal capacity from Total Employee Expense increase and suppress the pace of Outsourcing Expenses increase (Note: Total Employee Expenses will continue to increase as the increase in Total Employee Expenses in the previous year will make a full contribution)
3rd Step	Increase slower than Revenue growth	Increase slower than Revenue growth	Control the increase of Total Employee Expenses to ensure the pace is slower than the Revenue growth by achieving the following initiatives

Initiatives to decrease Operating Expenses

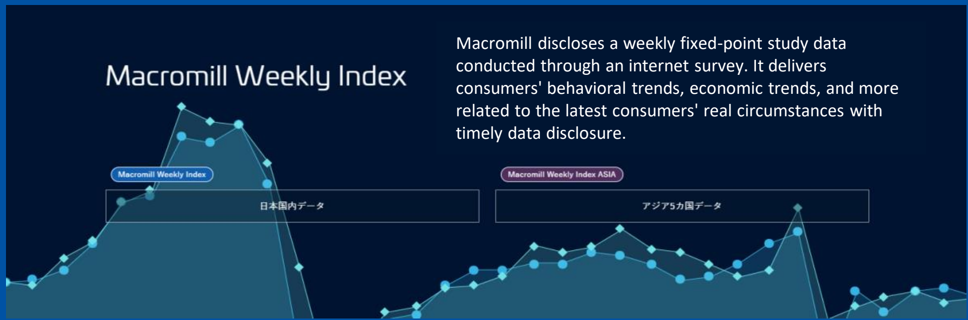
- Higher quality in delivery
- Increase internal capacity
- Improve workflow and productivity by automation

Rebuilding the value chain

Build your Data Culture

MACROMILL
a Macromill Group company

☞【FREE】Market research report: Market research report (Self-study report) conducted by Macromill, analysis report, and know-how book are available for free (Japanese Only)



☞ Macromill Weekly Index, fixed-point survey data is referred to in "Documents for Cabinet Committee on Monthly Economic Report and Other Relative Issues" provided by the Cabinet Office. (Japanese Only)

Appendix

i. FY6/2021 Full Year Financial Results & FY6/2022 Guidance Supplemental Material

ii. Historical Revenue Trends, Market Size and our Mid-term Business Plan

iii. Summary of our Company

FY6/2021: Net Income[1] Waterfall Chart

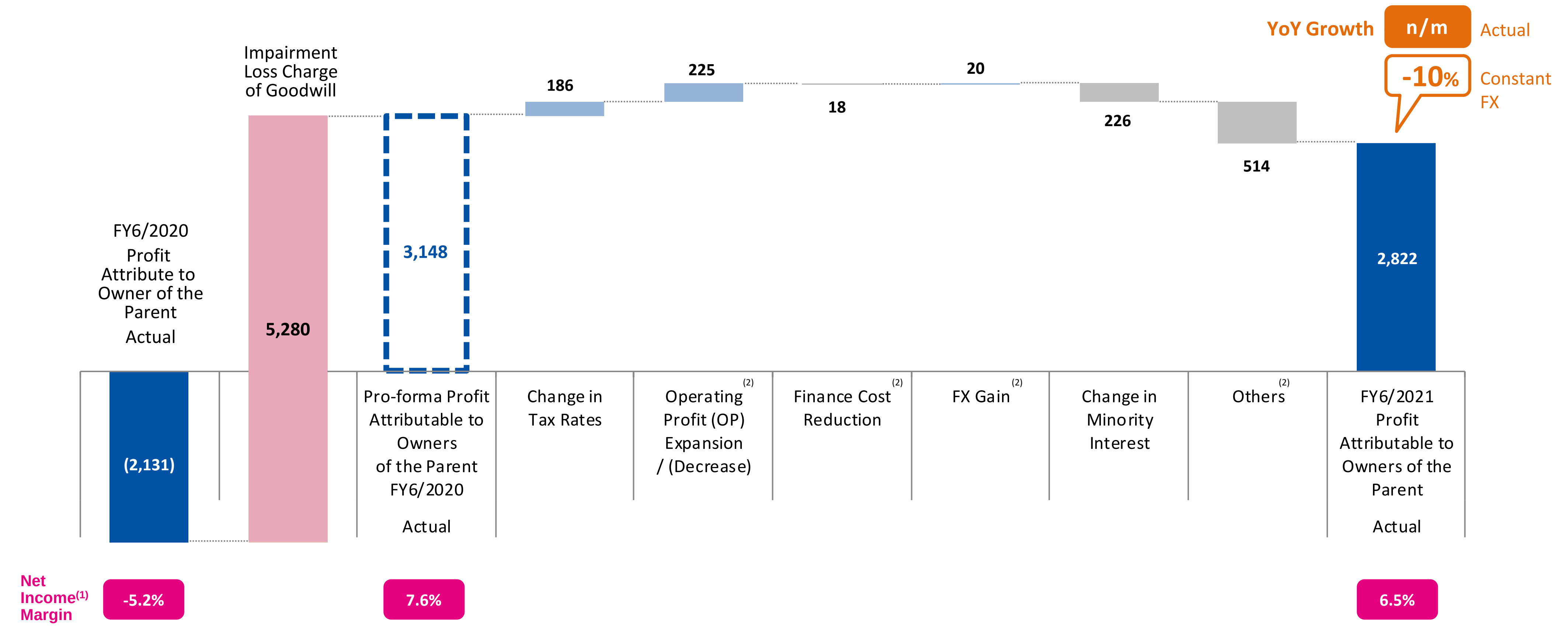
Full Year (12 Months)

The trend is in line with OP, excluding the Impairment loss of Goodwill

Due to refinancing activity through Straight Bond issuance, related cost and early redemption cost were recognized. As a result, the amount of finance cost reduction is limited compared to the last fiscal year

Profit Attributable to Owners of the Parent Waterfall Analysis – FY6/2020 vs. FY6/2021

Consolidated (IFRS)
(JPY in Millions)



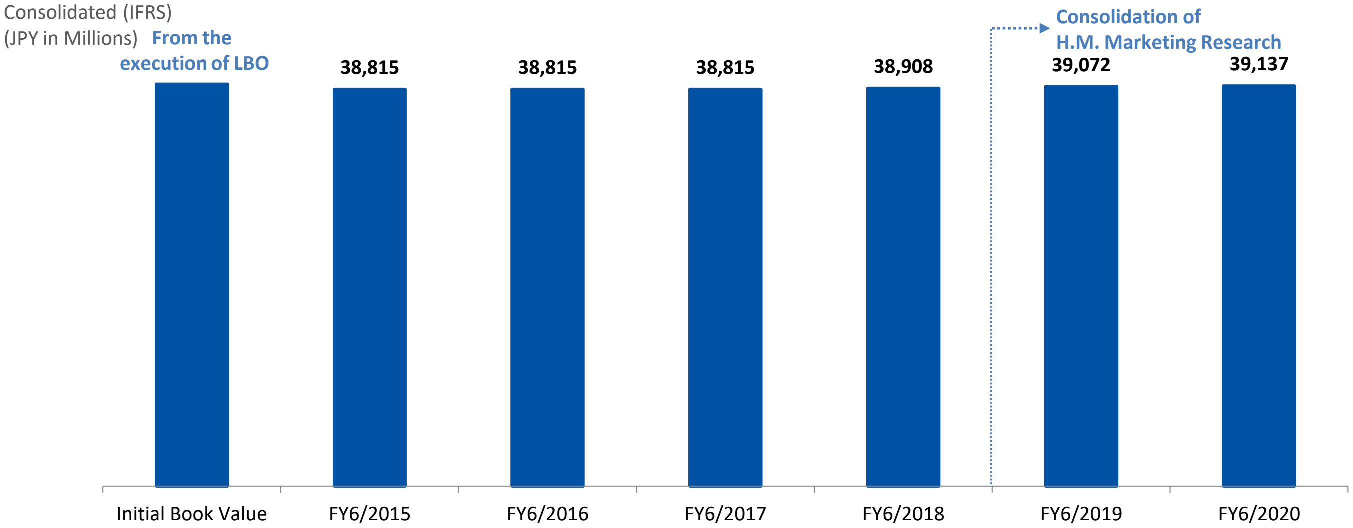
Notes
1. Profit Attributable to Owners of the Parent
2. Figures including Tax effect

Historical Goodwill Trends by Segment

Reprint

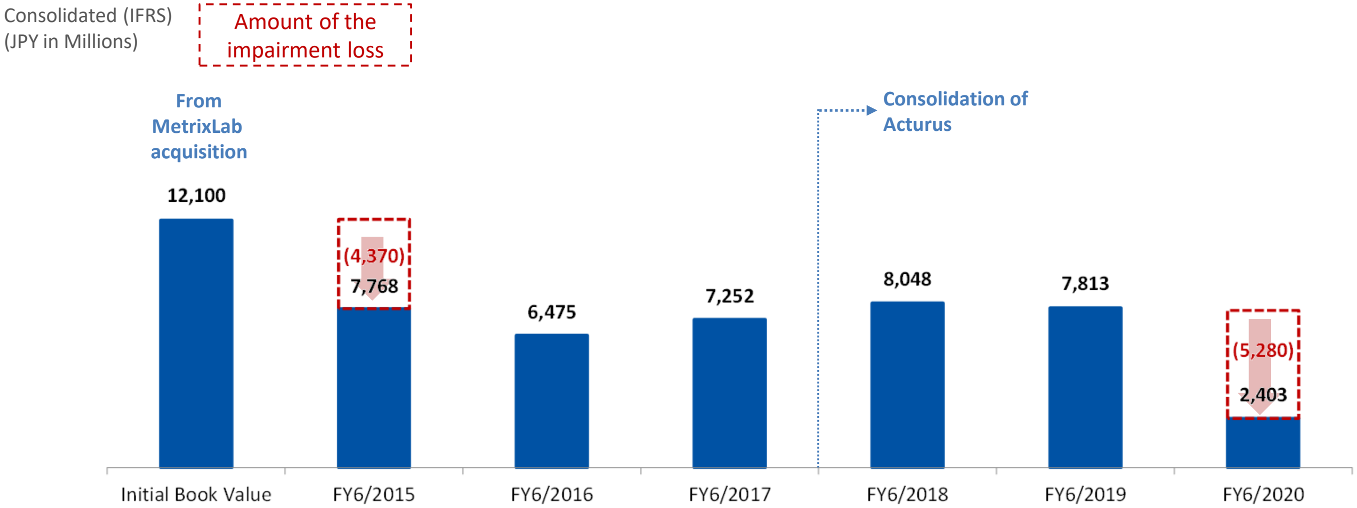
Recognized impairment loss of goodwill in the Overseas (ex-Korea) Business Segment in FY6/2020 Q4
Given the size of loss of goodwill, the risk of additional impairment is minimal

Japan and Korea Business Segment - Historical trends of the goodwill amount



	FY6/2019	FY6/2020
Composition Ratio (in Consolidated Total Amount)	83%	94%
Allowance for recognizing impairment loss (Trigger threshold vs. Est. Future CF)	-68.0%	-41.8%

Overseas (ex-Korea) Business Segment - Historical trends of the goodwill amount



	FY6/2019	FY6/2020
Composition Ratio (in Consolidated Total Amount)	17%	6%
Allowance for recognizing impairment loss (Trigger threshold vs. Est. Future CF)	-32.2%	n/a

Appendix

i. FY6/2021 Full Year Financial Results & FY6/2022 Guidance Supplemental Material

ii. Historical Revenue Trends, Market Size and our Mid-term Business Plan

iii. Summary of our Company

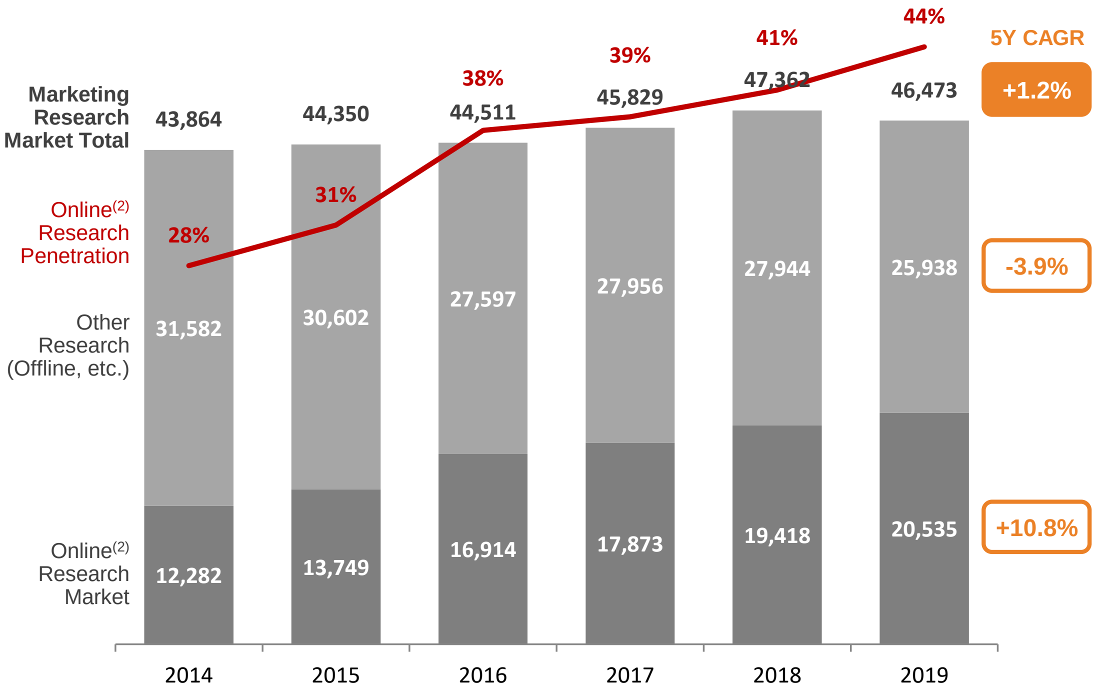
Historical Trends - Global Market vs. Our Revenue

- **Global Marketing Research Market growth is led by Online Marketing Research Market growth**
- **Macromill Group's revenue growth exceeds overall market growth**

Market Trends – Global Marketing Research Market

ESOMAR[1]
(USD in Millions)

YoY Growth						
	Total:	**+1%**	**+0%**	**+3%**	**+3%**	**-2%**
	Other:	-3%	-10%	+1%	-0%	-7%
	Online:	+12%	+23%	+6%	+9%	+6%

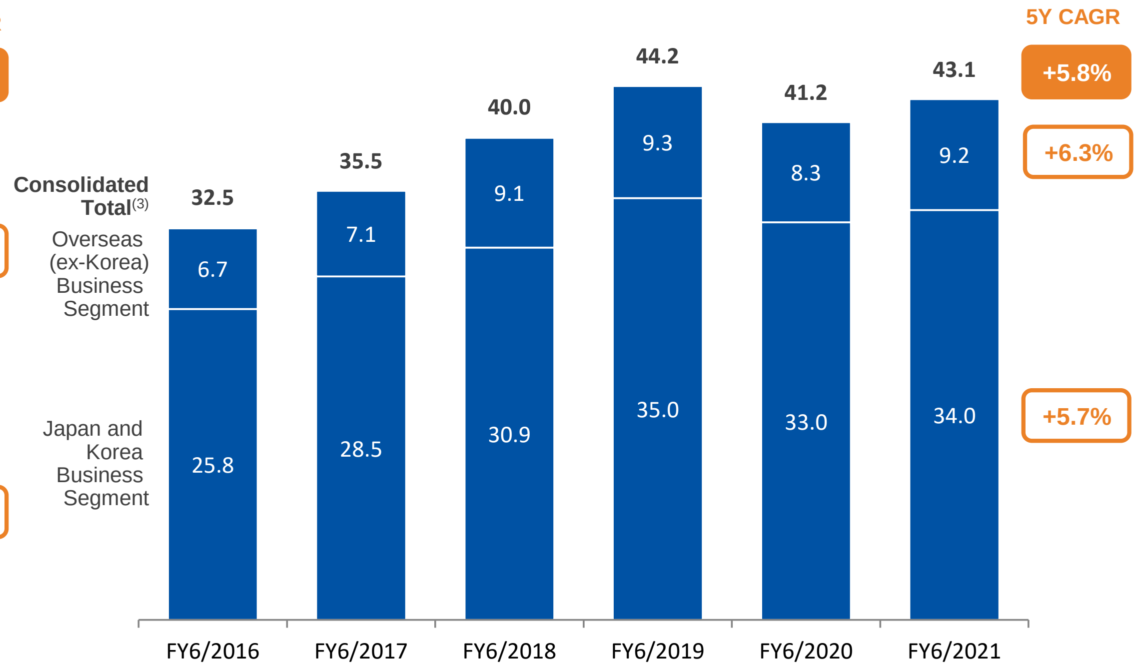


Revenue Trends – Macromill Consolidated Group All

Consolidated (IFRS)
(JPY in Billions)

YoY Growth						
	Consolidated	**+9%**	**+13%**	**+11%**	**-7%**	**+5%**
	Overseas	+5%	+29%	+2%	-11%	+10%
	Japan & Korea	+11%	+9%	+13%	-6%	+3%

MACROMILL GROUP



Notes

1. Source: ESOMAR, Global Market Research (9/2020, 9/2019)
2. Online quantitative marketing research only, not including online qualitative marketing research
3. Revenue of each segment is shown using gross value including intersegment revenue, and the total amount of revenue of both segments does not match the consolidated revenue (the difference is intersegment revenue)

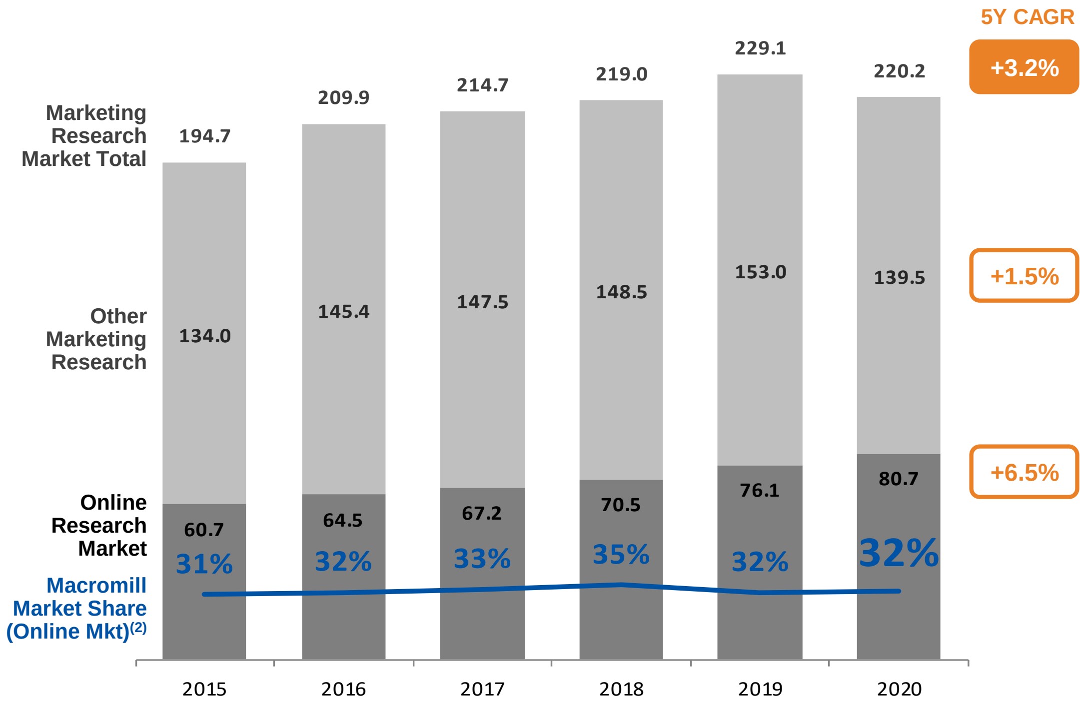
Historical Trends – Japanese Market vs. Revenue in Japan

- **Overall Japan marketing research market growth of 3.2% (5Y CAGR)**
- **Macromill Japan revenue growth exceeds that of the overall marketing research growth in Japan, strongly driven by Digital revenue which is a growth driver for Macromill Japan**

Market Trends – Japanese Marketing Research Market

JMRA[1]
(JPY in Billions)

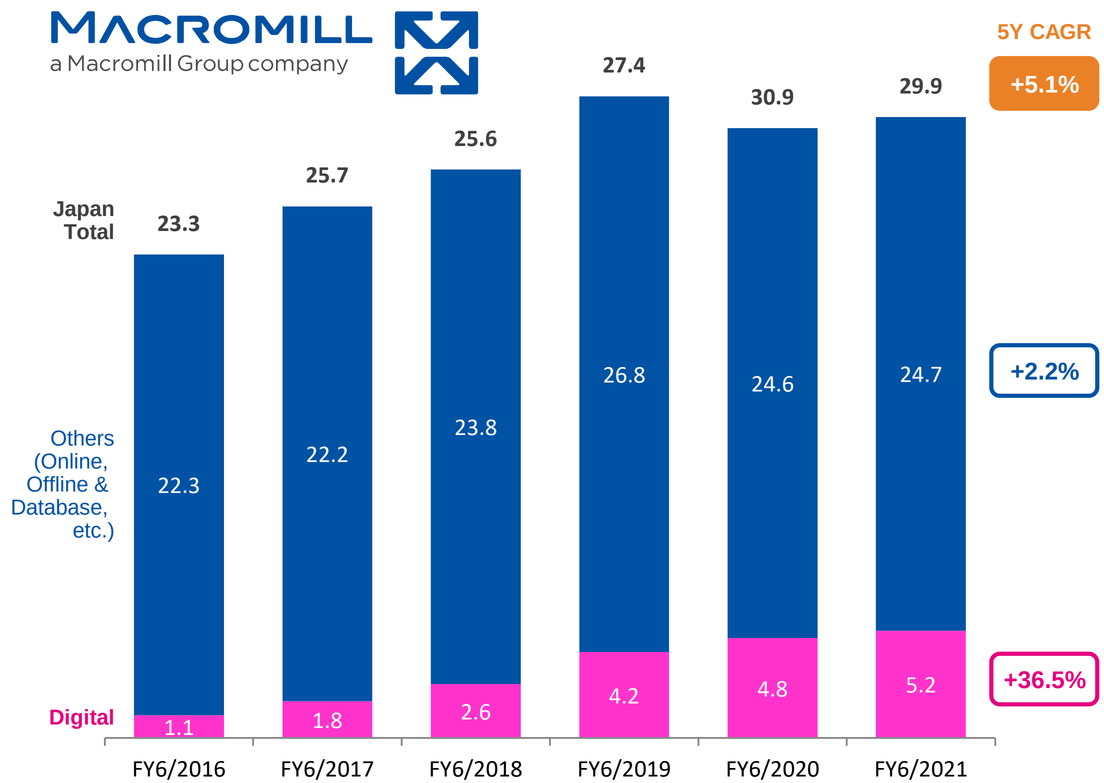
YoY Growth						
	Total:	**+8%**	**+2%**	**+2%**	**+5%**	**-4%**
	Others:	+9%	+1%	+1%	+3%	-9%
	Online:	+6%	+4%	+5%	+8%	+6%



Revenue Trends – Macromill Group Revenue in Japan

Consolidated (IFRS)
(JPY in Billions)

YoY Growth						
	Japan Total:	**+10%**	**+7%**	**+13%**	**-5%**	**+2%**
	Others:	+7%	+4%	+8%	-8%	+1%
	Digital:	+63%	+47%	+59%	+16%	+7%



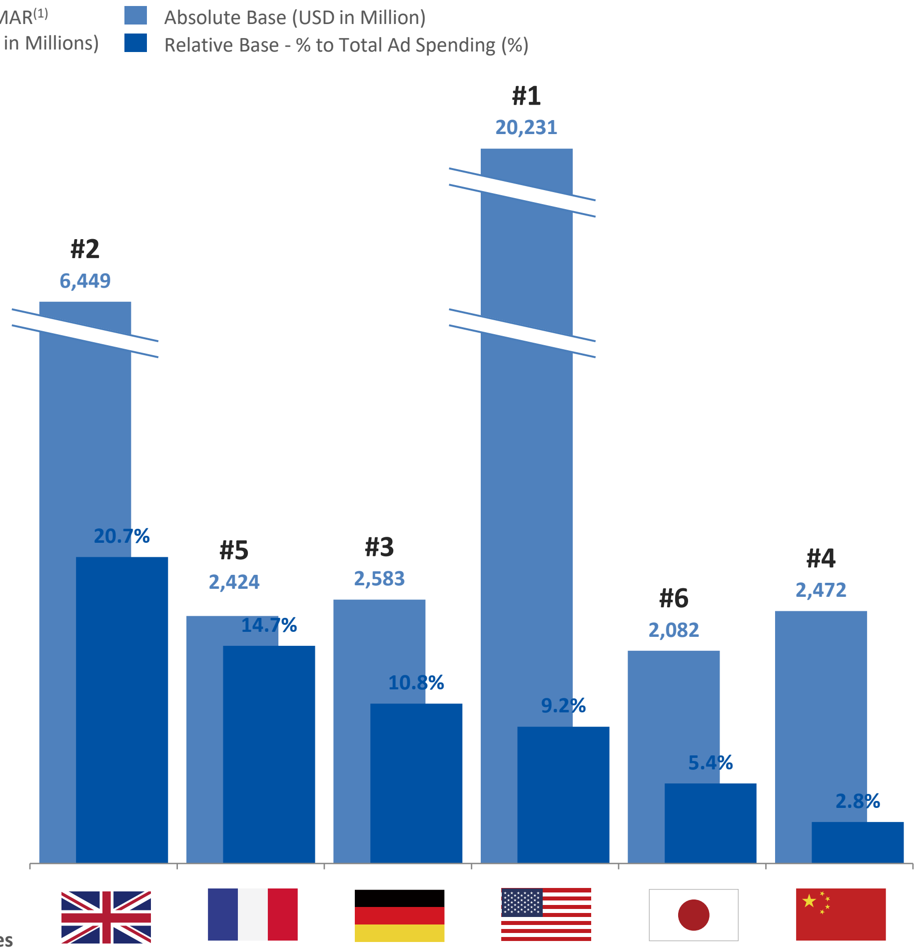
Notes
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2021/6) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company

Further Growth Opportunity – Japan

- Japanese Marketing Research market has continued potential for growth
- In addition, the overall market for Digital Marketing-Related services are ALSO expected to grow dramatically, in the next 5 years, creating additional opportunities to accelerate growth

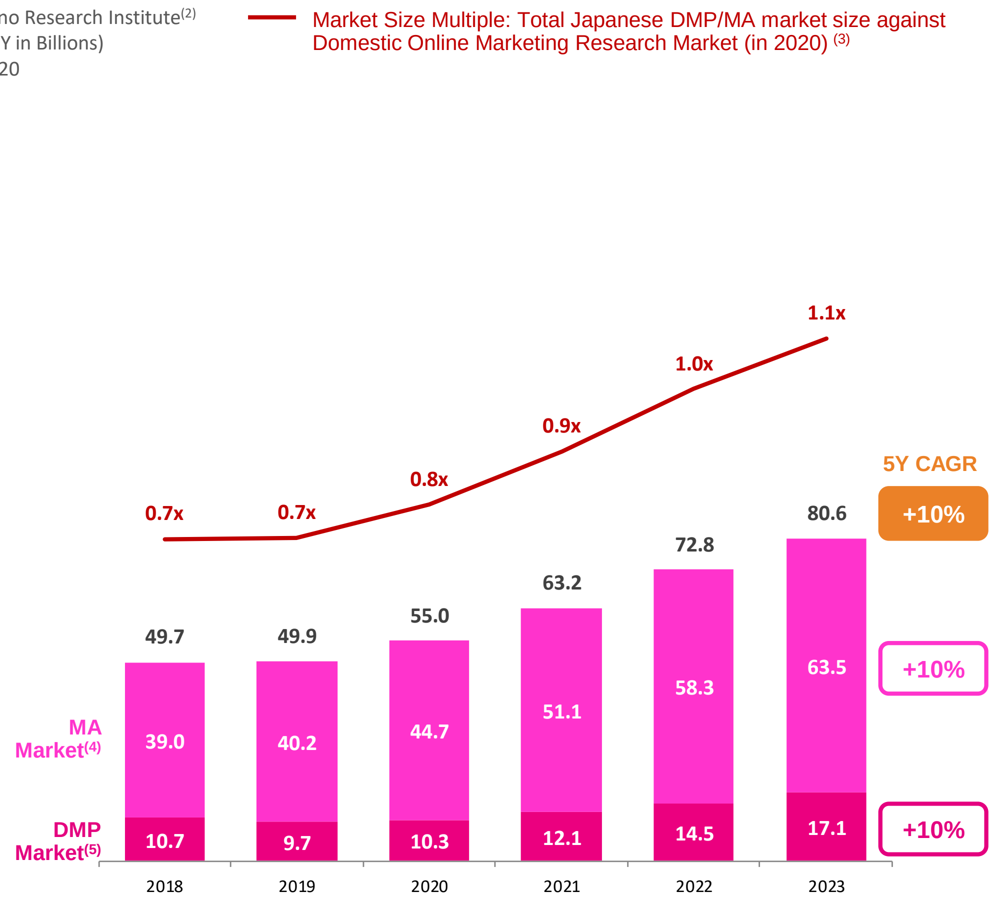
Size of Marketing Research Market by Country (Absolute and Relative Size)

ESOMAR[1]
(USD in Millions)
2018



Size of Japanese Digital Marketing-Related Markets – Actual and Forecasts

Yano Research Institute[2]
(JPY in Billions)
2020



Notes

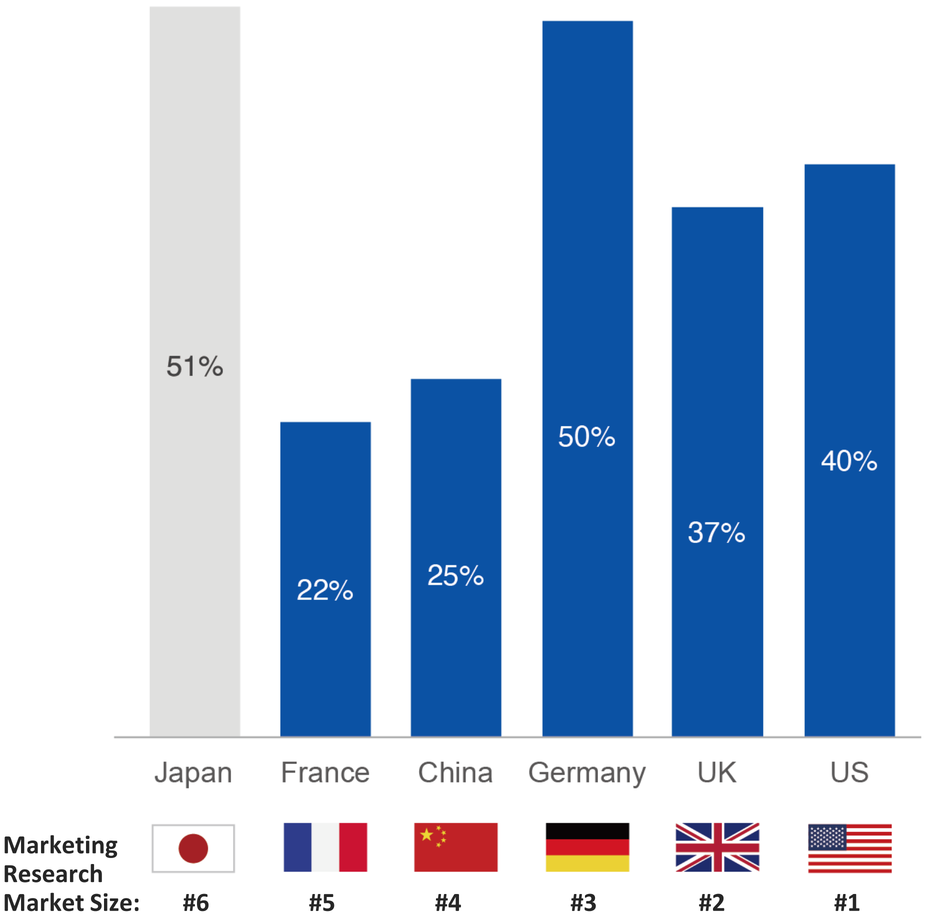
1. Source: ESOMAR, Global Market Research (9/2020)
2. Source: Yano Research Institute, Size of DMP / MA Market Historical Trends and Forecasts (Actual result in 2018, an Estimated value in 2019, Forecasts from 2020 and after) (2019/11/12)
3. Market size multiple against 70.5 B JPY ad-hoc internet marketing research market size of 2018 in a survey of Management statistics(2019/7) by Japan Marketing Research Association (JMRA)
4. MA (Marketing Automation) is a system/service that aims to create high accuracy business negotiations by developing clients individually through the unification of the potential client and existing client data, auto evaluation, and execute scenarios based on the designed scenario.
5. DMP (Data Management Platform) is a system/service that optimizes marketing plans such as advertisement/mail/DM by clarifying the characteristics of consumers through aggregating and analyzing consumer behavior in various sales channels. DMP includes two types of DMPs: public DMP that use consumer data held by third parties other than the company's owned web site, and private DMP that uses consumer data on the company's web site. Private DMP includes CDP (Customer Data Platform) that manages individual consumers.

Further Growth Opportunity – Overseas Business

- **In Overseas business, Online Marketing Research will continue to be a growth driver**
- **Our strength is online marketing and digital research, and we are uniquely positioned as a emerging player with a global franchise**
- **Continuing to expand market share by disrupting and challenging the Big 4**

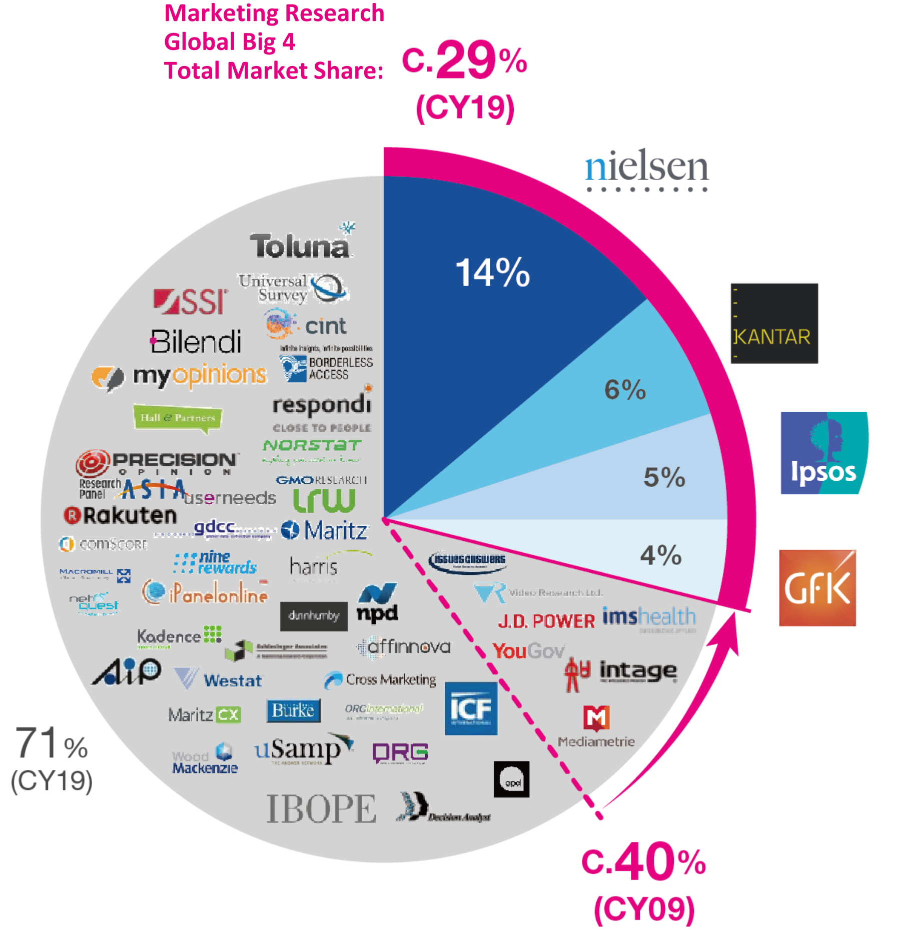
Online Marketing Research Penetration[1] in Total Market Research Spending

ESOMAR[2]
CY2019



Global Marketing Research Market - Market Share

ESOMAR[2]
CY2019



Notes
1. Source ESOMAR, Global Market Research (9/2020, 9/2010)
2. Online Marketing Research Presentation = spending on online quantitative market research (PC Online + Mobile / Smartphone Online) / spending on total market research in each country

Big Market Opportunity and Our New Mid-term Business Plan

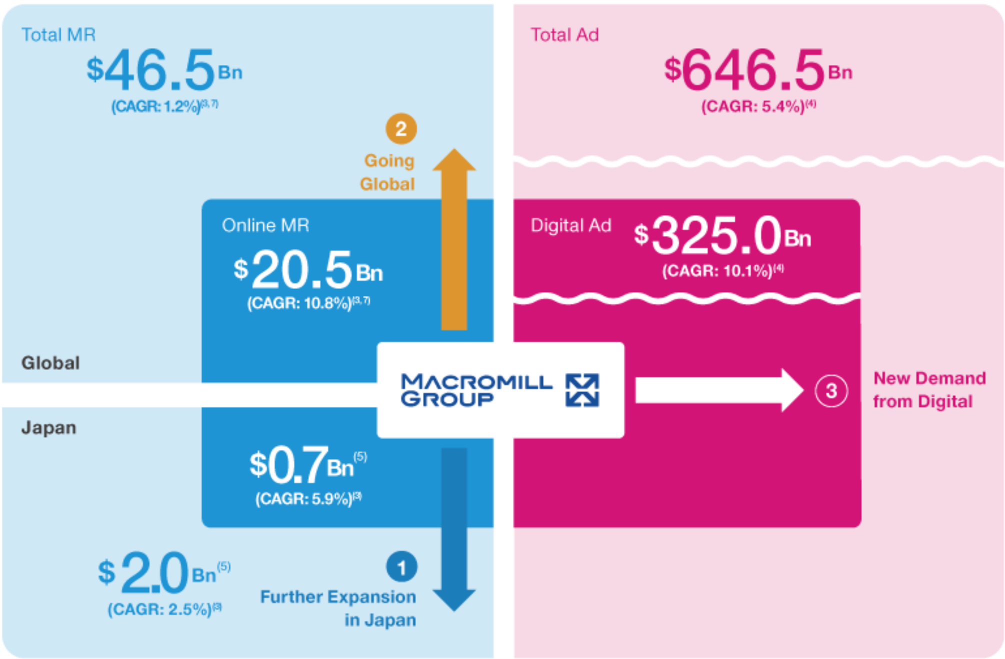
Our Market Opportunity[1]

Market Research

Market Research Spending Size: (Global) 2019A (Japan) 2020A
Actual CAGR: (Global) 2014A-2019A (Japan) 2015A-2020A

Digital Marketing[2]

Ad Spending Size: 2019A
Forecast CAGR: 2019A-2024E



Source
Global Market Research spending: ESOMAR - Global Market Research (9/2015, 9/2020)
Japan Market Research spending: Japan Marketing Research Association (7/2016, 6/2021)
Ad spending: eMarketer - Worldwide Ad Spending (9/2020)

Macromill Group New Mid-term Business Plan

Market Position	We aspire to be "**Global Top 10**" and "**No.1 in Japan and No.1 in Asia**"
Revenue	Revenue JPY **57.0**bn
Profit	OP Margin **15**% ROE **10**% or higher
Leverage	Maintain credit rating **BBB+** or higher + Net Debt / EBITDA **2.0x-2.5x**
Shareholder Return	Consolidated dividend payout ratio **20**% ~ **30**% + **Share Buyback in a timely manner**

Notes
1.The diagram is for illustrative purpose only and is not intended to depict relative market size to scale, or to show the current or future revenue or profit of Macromill group in each market
2. The market size includes solutions which Macromill group does not offer currently, and shows the size of the digital ad market as a sub-component of the total ad market. We generally do not plan to expand our business to cover all of this market, but believe it is helpful to show because we believe that there is a correlation between the growth of this market and the growth of sales of our digital marketing solutions.
3. Historical CAGR for (Global) 2014A-2019A (Japan) 2015A-2020A
4.Future estimate CAGR for 2019A-2024E
5.Exchange rate: USD/JPY = 110
6.Excluding New Business (such as M&A) Contribution
7. Source: ESOMAR Global Market Research 2020, published in September 2020. Please note the size of global marketing research market of 2019 in the 2020 Report has three scenarios; Scenario 1: Approximately 1.6x larger market size YoY due to expansion of the market definition; Scenario 3: Approximately 1.9x larger market size YoY due to the same reason as the Scenario 1; We chose Scenario 2, the closest market size to the previous year to illustrate the chart in above.

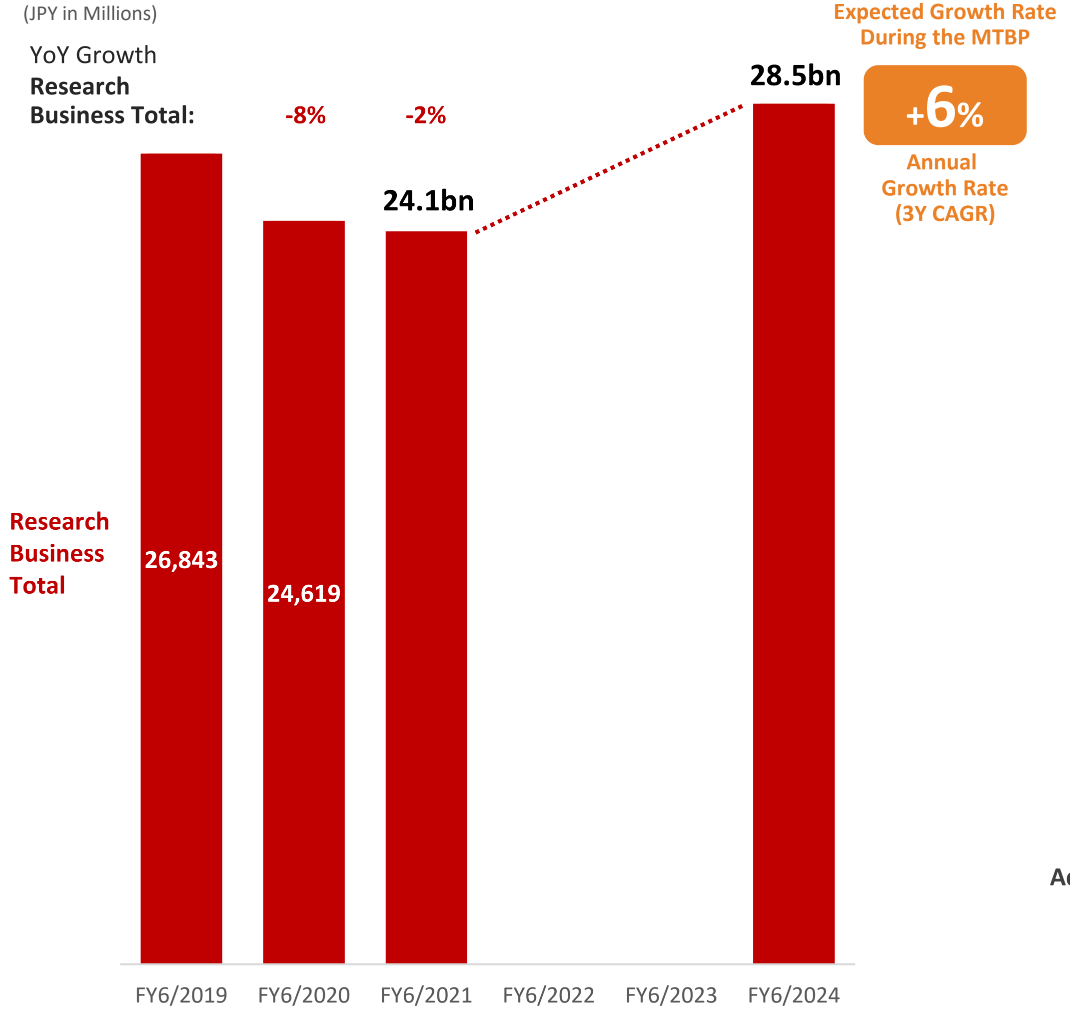
Japan Business: Research Business

New

Anticipating a stable growth backed by market growth of around 5%

The further shift from Offline Research to Online Research has accelerated due to Covid-19, acting as a tailwind for our market share expansion

Revenue Trend and Future Expected Growth Rate in this Business Field



Japanese Marketing Research Market

JMRA [1]
(JPY in Billions)

YoY Growth					
Total:	+8%	+2%	+2%	+5%	-4%
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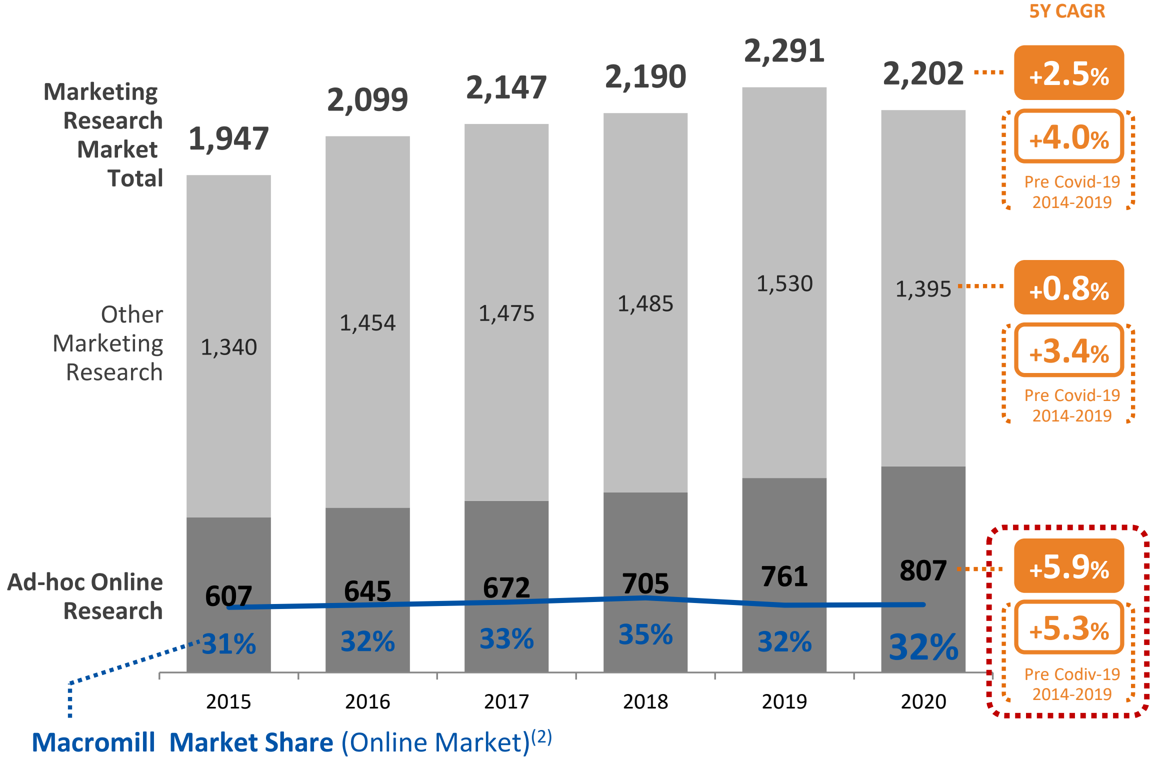


Notes
1. Source: Japan Marketing Research Association (JMRA) - Management statistics (2021/6) The Ad-hoc internet survey is described as Ad-hoc Online
2. Macromill's market share is estimated by the Company

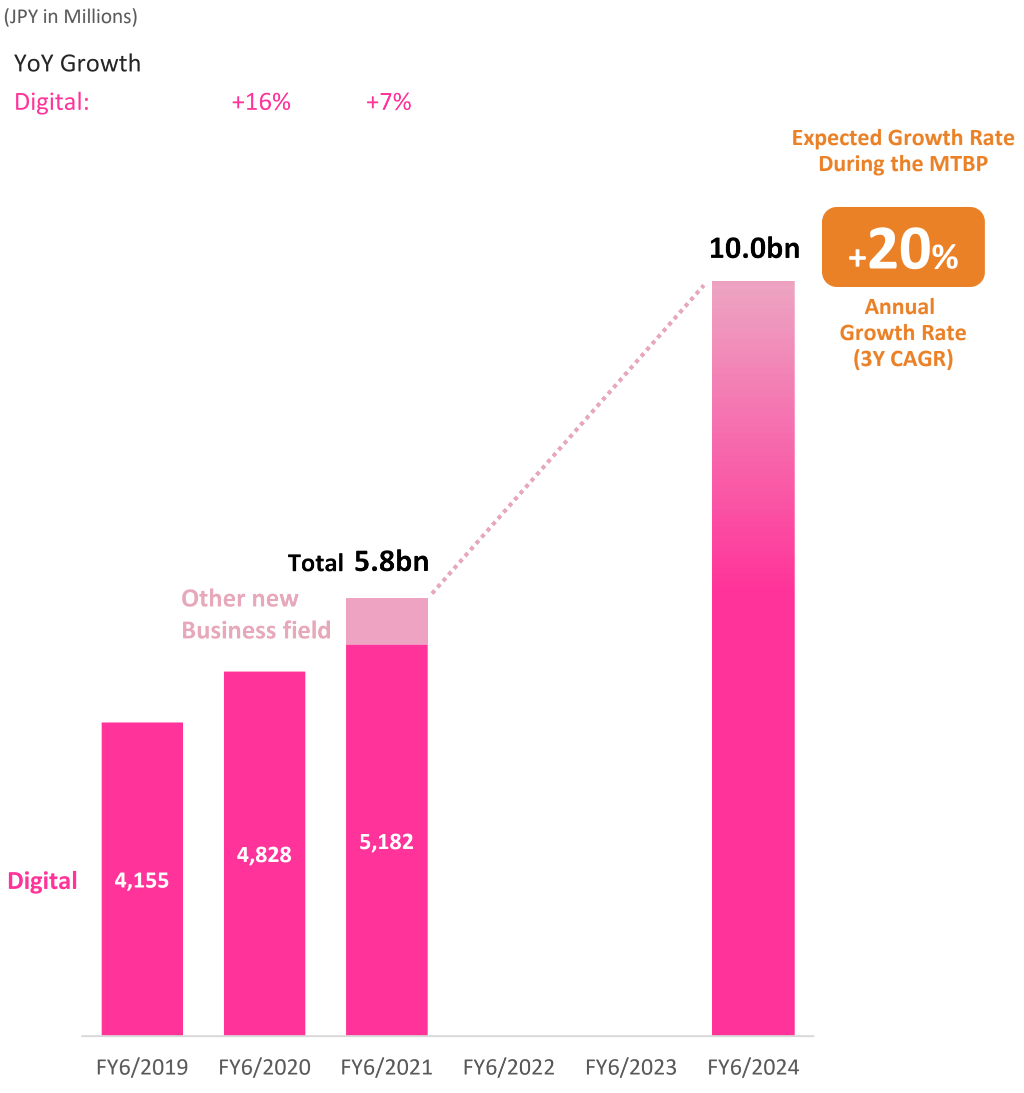
Japan Business: Digital and Other New Business

New

The Digital field remains our strong growth driver

Entering the new business fields in full-scale

Revenue Trend and Future Expected Growth Rate in this Business Field



New Business Field Breakdown

Digital & Other new business field

- **Other new business field**
  - 1. Marketing Activation Support (Solution)
  - 2. Data Utilization Support (Data Consulting)
  - 3. Life Science
  - 4. Southeast Asia
  - Others
- **Digital Field**
  - AccessMill (Includes YouTube advertisement measurement)
  - DMP Solution (DMP sync research)
  - Others

Japan Business: Transforming Our Business Model

Transform into a "Professional Marketing Services Company"

By entering "Data Utilization Support" and "Marketing Activation Support" businesses, we are building a business model with a positive flywheel effect, putting us in a unique position to provide a one-stop support to our clients on their marketing issues

Our Business Fields

Existing Business

Research
(Awareness Data)

Flagship Business
Domestic Marketing Research
Global Research

Provide universal insight essential for marketing and for creating & verifying hypothesis

Data
(Behavioral, Biological, and Other Data)

Growth Driver
Integrated data (Digital field)
Life Science Business (New Business)

Provide insight that is newly available from technology innovation

Macromill Panels

Future Challenges

Marketing Activation Support
(Solution)

New Business
CRM
Advertisement distribution

Increase our service value by developing specific & actionable marketing plans

Data Utilization Support
(Data Consulting)

New Business
DX execution partner (DMP utilization)
BPO/BPR Consulting
MC (Macromill Consortium) cooperation

Improve the value of client data by supporting and providing consulting work on data utilization

The proprietary panel will become the source of value creation and a differentiator in each business field

Initiatives (1): Life Science Business

Reprint

Launching the "Life Science Business" with full use of our existing business assets to support clients in the field of healthcare for health promotion and disease prevention[1]

To enter this new business, form business alliances with the following two companies

Business Field

- **Enabling clients in this sector to acquire biological data, such as blood/saliva (including "human clinical studies"[2]) in addition to the conventional research data produced from our domestic proprietary panels of 1.3 million people (1% of Japanese population)**
- **The service includes the development of health database and the support for utilization of the above mentioned biological data (applying DMP development support experience and know-how)**

Healthcare Market

Medical / Pharmaceutical Drug Area	**Health Promotion and Disease Prevention Area**	Nursing Care Service Area

Cosmetics / Health Food / Health Drink / Supple-ments / Health Equipment / Health Machine / Travel Leisure Activities / IT devices Apps / Finance Insurance ...etc.

Business Alliances

Healthcare Systems

Alliance for providing support for various human clinical trials including online clinical trials

- Gain knowledge and know-how on various human clinical trials including examination kits specialized for disease prevention field from Healthcare Systems Co., Ltd.

HMT

Alliance to develop comprehensive database and to provide data utilization support to the client

- Our Business alliance partner, Human Metabolome Technologies, Inc., which has strength in Metabolome analysis[3], will acquire and analyze metabolism data

Note

1. Healthcare for health promotion and disease prevention area: health maintenance, improvement, or management at non-illness pre-symptomatic state
2. Human clinical study: an examination to prove effectiveness and safeness in the non-pharmaceutical areas such as food, cosmetics, supplements, etc.
3. Metabolome analysis (metabolomics): A research area that attempts to understand the overall vital phenomenon by comprehensively measuring metabolic substances present in cells or organisms. It is widely studied as one of the major analysis methods in bioscience together with genomics which analyzes genes, and proteomics which analyzes protein, etc.

Initiatives (2): Data Utilization Support

Reprint

To support our clients' digital transformation (DX) in their marketing activity, fully enter the Data Consulting Business field

Client Issues and our strength

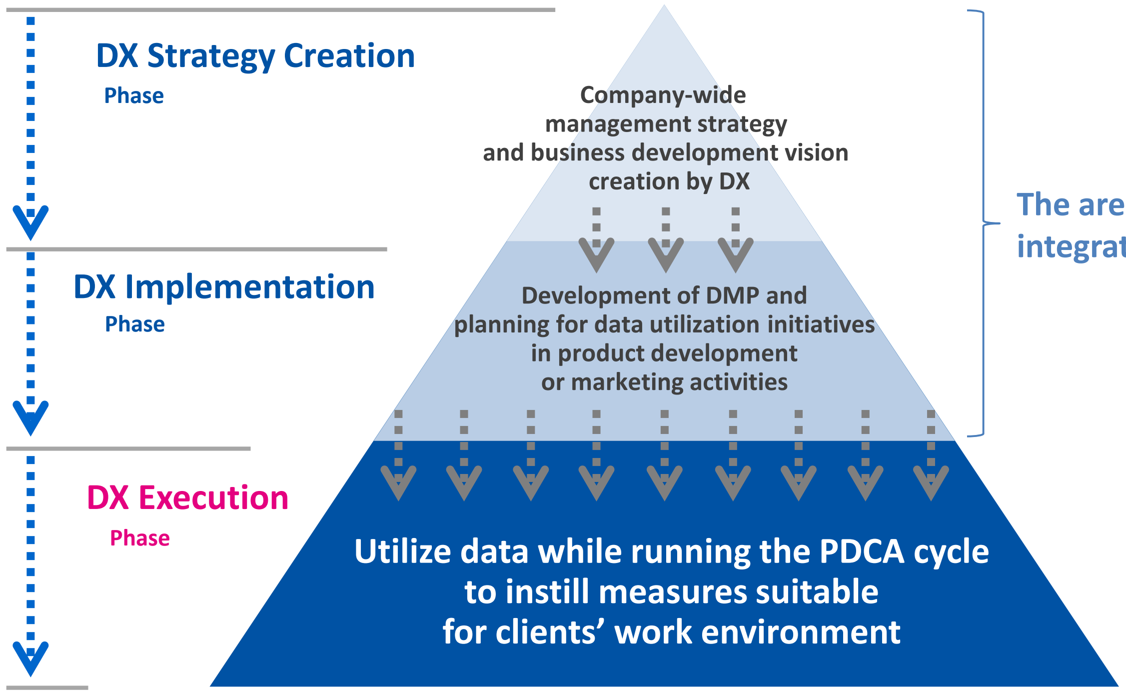
Client Issues

- "Data utilization" is vital to turn digital transformation profitable
- Even though data integration is completed, it is not used effectively in product development or in marketing activities
- Need a partner to consider a specific plan to make the "data utilization" effective

Our strength

- "Data-native" specialist team accustomed to data handling with 100+ data solution
- Macromill has been providing a hypothesis to solve marketing issues for more than 2,800 clients' by utilizing data
- Continuously train around 100 data specialists annually, and co-work with client companies on the front line to satisfy our clients' request

The role that Macromill aims to take



The area that consulting firms and system integrators are proceeding as DX

The role that Macromill aims to take

MACROMILL
a Macromill Group company

"DX Execution Partner"
to co-work with clients on data utilization

Initiatives (3): Marketing Activation Support

New

Launched "Macromill Ads" in full-scale, a solution suite that supports clients' Ad distribution in their marketing activities by utilizing data from the consumer panel as a one-stop service

Clients' Challenges and Our Strength

Clients Issues

- Regulations around the handling of personal data are tightened, more privacy-friendly data handling is essential
- Our clients are finding it harder to acquire data
- It is more important than ever to work with experts in processing and utilizing acquired data

Our Strength

- we can provide more effective advertisement distribution service by utilizing a massive amount of data from the proprietary panel, with the necessary permissions to use it for clients' marketing activities
- Macromill has started a digital advertisement business on a trial basis since 2020. By designing and providing multiple solutions (see below), we conducted a feasibility study
- Based on feedback from clients, it turned out the service has sufficient appealing power and we can provide this service leveraging our strength

Series of Solutions we have launched and New Solution, Macromill Ads

(Launched July, 2020)

Consumer Insight-Linked Delivery

- Automatically optimizing advertising delivery while sequentially measuring the results from consumer attitudinal surveys.

(Launched Feb., 2021)

The Covid-19 Targeting Segment

- An ad distribution service utilizes the "Covid-19 segment" which Macromill originally developed to categorize consumers in the Covid-19 era

(Launched August, 2021)

Macromill Ads

- Support PDCA cycle from Ad distribution to operation as one-stop service

Macromill Ads Targeting

- A solution distributes digital advertisements to clients' voluntary target segments sampled based on research Macromill has conducted and/or diverse behavioral data such as purchase data.

Macromill Ads Brand Optimizer

- A solution optimizes the operations of digital advertisement distribution while using real-time research, Macromill's original research tool, as a key solution. It connects the output with sequentially measured awareness survey results, including brand and advertisement awareness. This optimizes and distributes digital advertisements based on brand indices

(New Service Logo) MACROMILL ADS

Japan Business: The Road to Transformation

Reprint

Set the next 3 years as the business model transformation period

Accelerate the strategic up-front investment in talent for existing and new business fields

Our Targeted Business Model

FY6/2021	FY6/2022	FY6/2023	FY6/2024	FY6/2025 onward

Transform into "Professional Marketing Services Company" from "Marketing Research Company"

1. Research & Data
(Awareness, Behavioral, Biological, & Other Data)

2. Data Utilization Support
(Data Consulting)

3. Marketing Activation Support
(Solution)

4. Automation, Tools, and Platform
(Subscription Service, etc)

Marketing Research Company	Business Model Transformation Period	Professional Marketing Services Company
Revenue increase through share expansion & Profit increase by pursuing optimization	Revenue and Profit increase through the business field expansion Lower Profit due to the up-front large scale investment during the transformation period	Increase Revenue and maximize Profit by developing the ecosystem

**Although the investment will impact the profit margin,
we will proceed with a strong will in order to grow our Enterprise Value**

Appendix

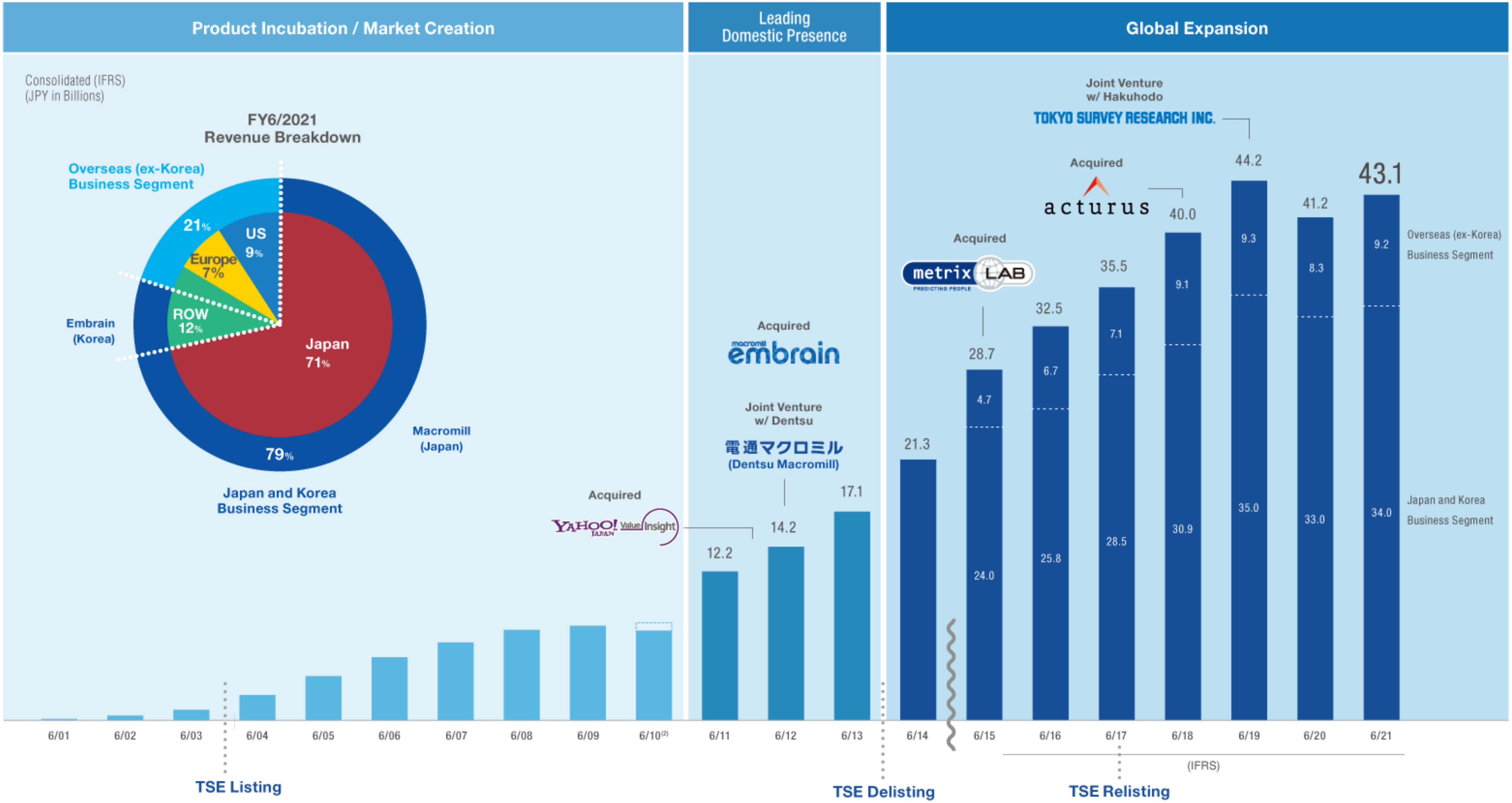
i. FY6/2021 Full Year Financial Results & FY6/2022 Guidance Supplemental Material

ii. Historical Revenue Trends, Market Size and our Mid-term Business Plan

iii. Summary of our Company

We are Fast Growing Market Research Company

Consolidated Revenue[2]



Notes

1. J-GAAP based financials for FY6/2001-6/2014 and IFRS-based financials for FY6/2015 onwards. J-GAAP and IFRS financial information are prepared based on different accounting principles and are not directly comparable. Macromill believes, however, that the presentation of consolidated revenues on a J-GAAP basis as compared to IFRS would only require immaterial adjustments and that the presentation above appropriately and accurately reflects the consolidated revenue trends for the four fiscal years ended June 30, 2017
2. The dotted line indicates potential revenue contribution from the subsidiary (AIP) divested in this year.

Who we work with

- **Serving more than 4,000 blue-chip clients globally across a diversified set of brands, agencies and industries**
- **Revenue concentrated with long-term clients and high retention**
- **Majority or revenue from direct relationships with brands**
- **Strategic agency relationships including jointly managed subsidiaries (Dentsu, Hakuhodo)**

Highlights

Number of Clients

c. 4,300 clients, 90+ countries

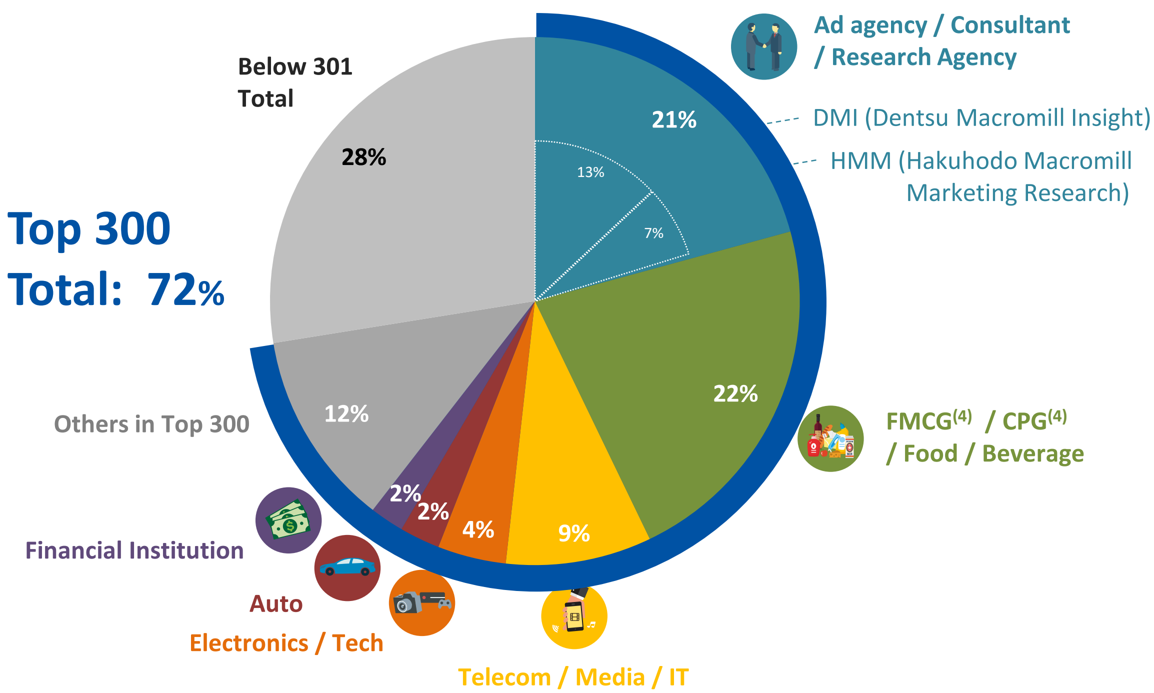
c. 2,600 clients in Japan	**c. 1,700 clients in Overseas**

Client Retention Rate of Large Clients[1]

95.7% in Japan[2]	**90.1%** in Global[3] (excl. Japan)

FY6/2021 Revenue Breakdown by Client Industries

Consolidated (IFRS)

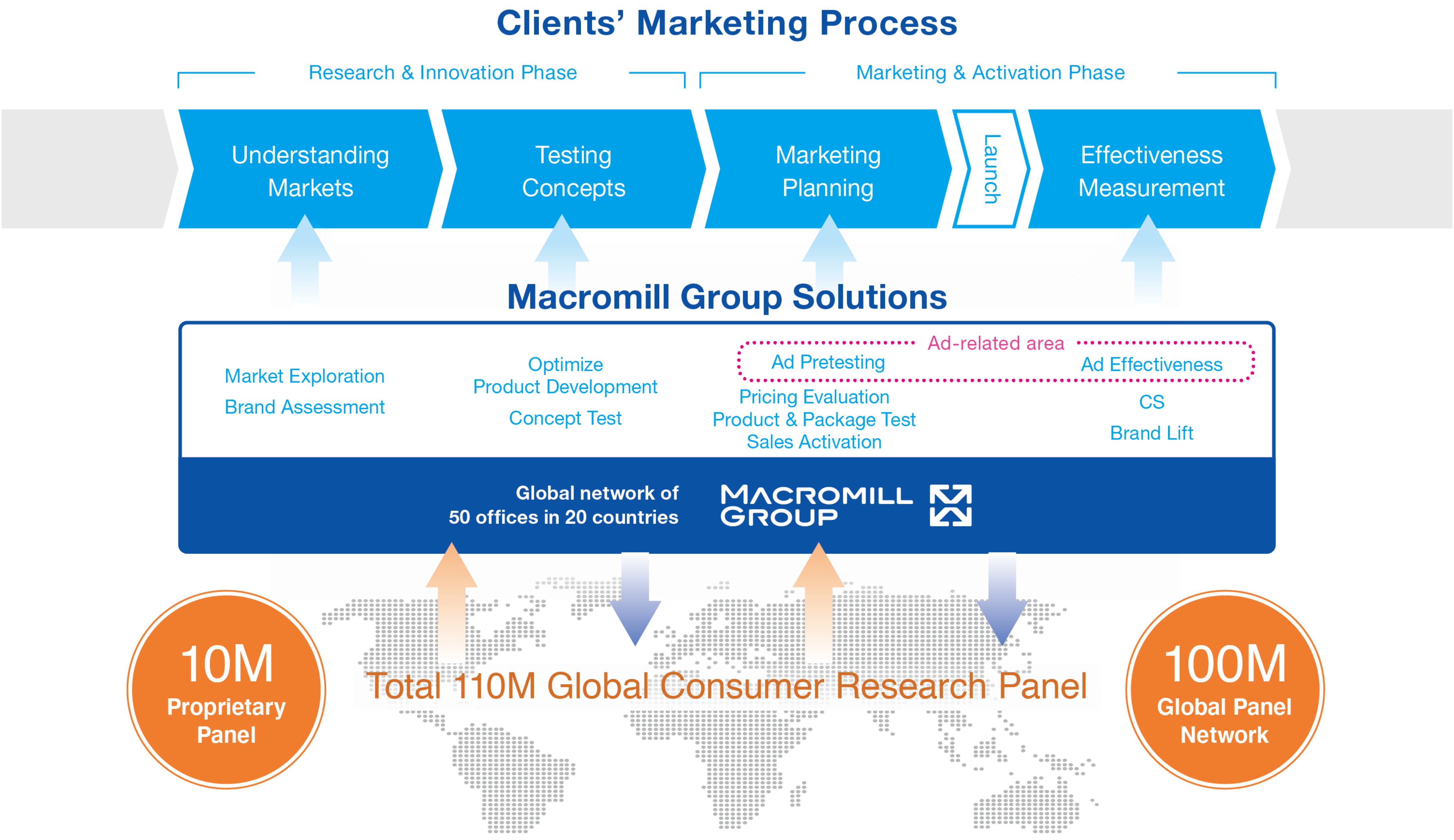


Well diversified client portfolio

Notes

1. Large Accounts with annual revenue of > JPY10MM or Euro 0.1MM
2. Retention Rate in Japan = (No. of large clients of Macromill standalone providing over JPY10MM in annual revenue for which Macromill's solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of Macromill (standalone) providing over JPY 10MM in the previous year). 5 year average from FY6/17 to FY6/21
3. Retention Rate for Global (excl. Japan) = (No. of large clients of MetrixLab providing over 0.1MM Euro in annual revenue for which solutions were rendered and invoiced in the previous year, and for which there were solutions provided or invoiced in the current year) ÷ (No. of large clients of MetrixLab providing over 0.1MM Euro in the previous year). 5 year average from FY6/17 to FY6/21
4. FMCG = Fast Moving Consumer Goods / CPG: Consumer packaged goods (incl. non-durable goods such as soft drinks, toiletries, etc.)

Macromill's comprehensive set of research solutions are utilized at all phases of our clients' marketing value chain



Industry-Leading One-Stop Solution Portfolio in Japan

- **Our solution portfolio allows one-stop full-service to clients**
- **Focus on high growth "Digital" area that is differentiated and difficult to imitate**
- **Simultaneously conduct investment and R&D in "Next-generation area" that drives next growth with Group Companies**

Ad-hoc Base

Qualitative Research (Why?) / Quantitative (How many ?)

Offline Research (Face-to-Face)

Attribution Data: Who X Awareness Data: How they think

(Interview) FGI DI etc.

(Visiting survey) CLT etc.

Online Research

Next-generation area

(Online interview research)

Immerse Solution by METRIXLAB a Macromill Group company

Online interviews for large groups in different location
"AI" supports questions that moderators should ask

(Online survey) QuickMill OrderMill etc.

etc.

Digital

(Neuro research)

CENTAN a Macromill Group company

Research using non-awareness data such as EEG/heartbeat

Non-Awareness Data (Biological info etc.): What kind of emotion X Attribution Data: Who X Awareness Data: How they think

etc.

High Growth / Focus areas

AccessMill

Digital Behavior Data: What kind of action X Attribution Data: Who X Awareness Data: How they think

etc.

Subscription Base

Database / Data provision etc.

(Purchase data)

QPR MHS

Attribution Data: Who X Offline Behavior Data (Purchasing・Consumption): What they buy

(TV viewing data)

OTS

Attribution Data: Who X Offline Behavior Data (TV viewership): What they watch

etc.

High Growth / Focus areas

DMP solution

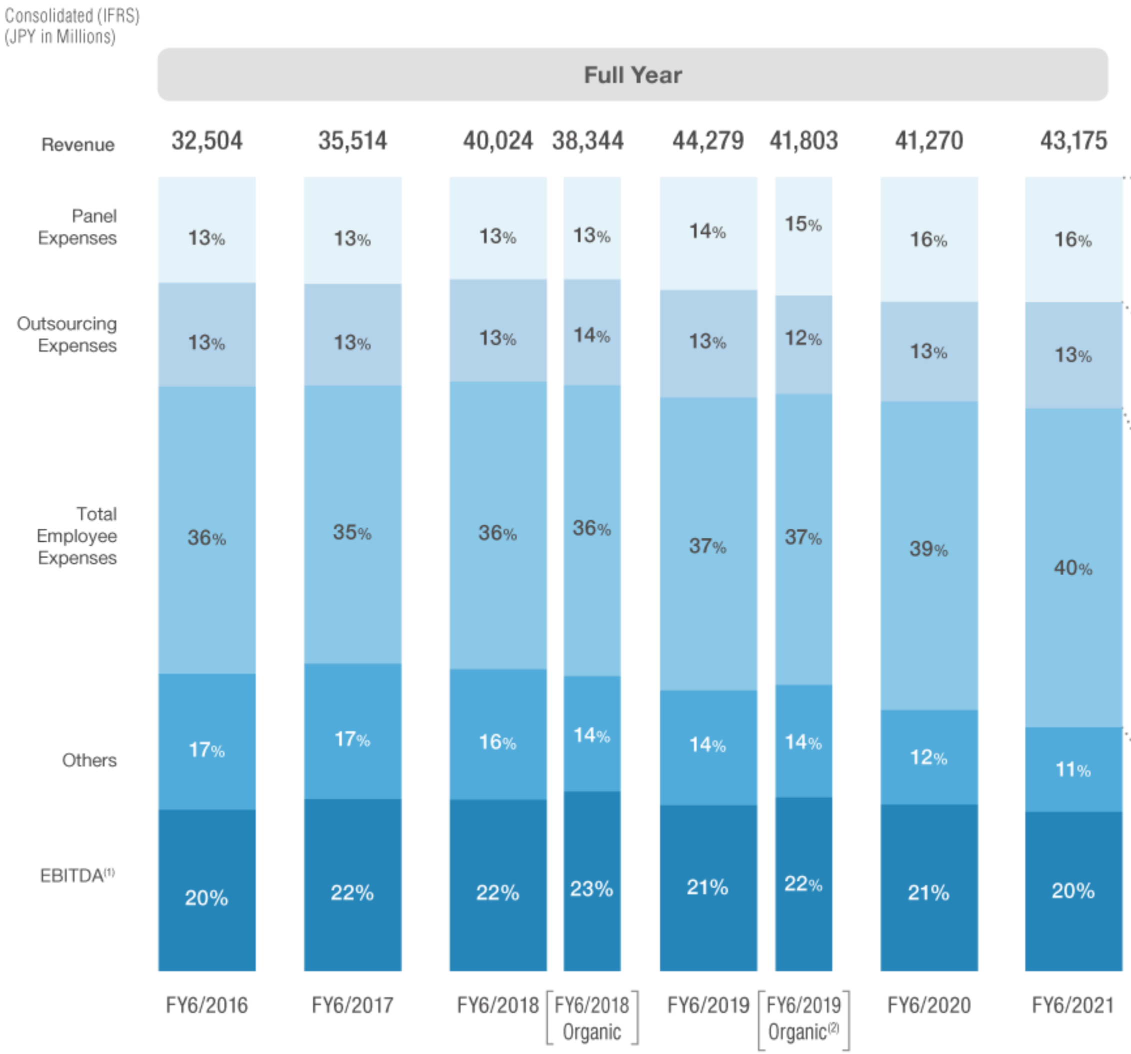
Provide various data (Attribution, Behavior, Awareness, etc.) on Macromill panels included in DMP operated by clients etc.

Clients' DMP

etc.

With a stable cost structure, generate a steady cashflow
Operating leverage deliver strong profit growth under Revenue expansion phase

Breakdown of Key Cost Items



Overview of Cost Reduction Initiatives

Panel Expenses	☑ Procurement cost of third-party panels ☑ Rewards paid to in-house panelists for answering surveys – As calculated by number of questions answered
Outsourcing Expenses	Examples by key products: ☑ Global Research – Procurement costs of third-party panels ☑ CLT / Group Interviews – Offsite meeting costs (e.g. room rentals)
Total Employee Expenses	☑ Offshoring (Global - Utilize India Office) & Nearshoring (Japan - Utilize Sendai Office) Strategy on Research middle & back office

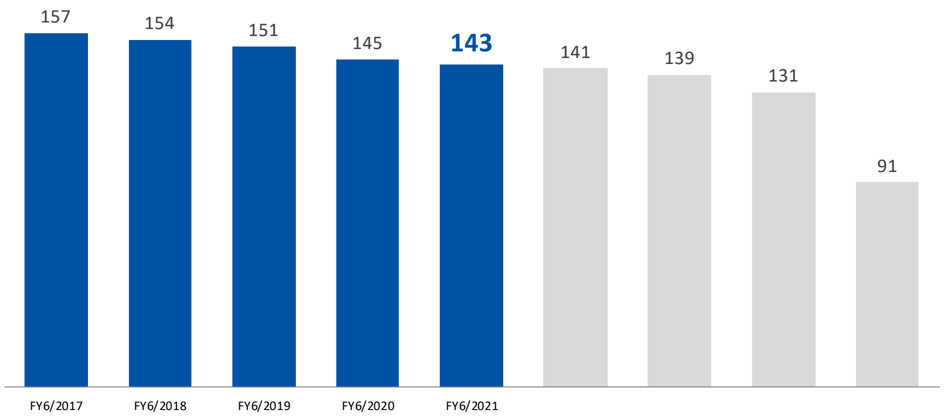
Notes

1. EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment Loss
2. Acturus Inc. which we had acquired in the second quarter of FY6/2018 had completely merged with MetrixLab U.S. as of July 2, 2018. As a consequence, we will no longer be able to segregate and disclose the two entities separately, so the M&A contribution for FY6/2019 is sum of HMM (Q1-Q4) and CENTAN (Q1-Q2, CENTAN has become 51% subsidiary since FY6/2018 Q3) only.

Best-in-Class Operational Excellence and Profitability Continues

Revenue per Employee[1] [2]

USD in Thousands, Last FY[3]

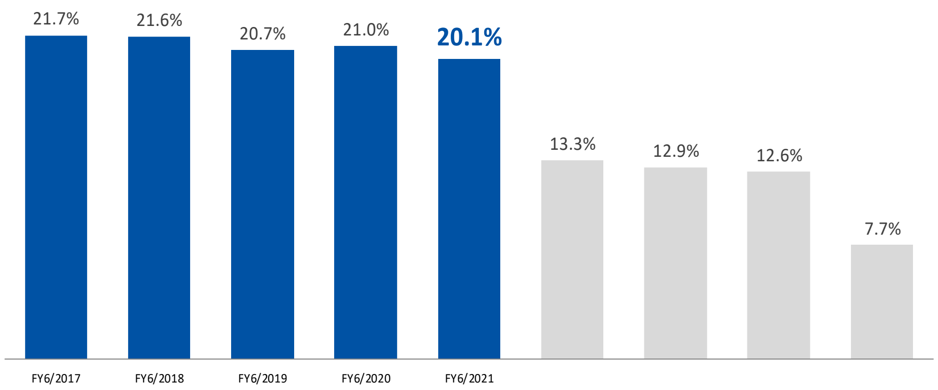


	Macromill					intage	nielsen	Ipsos	Cross Marketing Group
# of Employees[1,4]	2,120	2,362	2,666	2,616	2,800	3,505	43,000	16,742	1,266
	(6/17A)	(6/18A)	(6/19A)	(6/20A)	(6/21A)	(6/20A)	(12/20A)	(12/20A)	(12/20A)

Source Company Information

EBITDA Margin[6] [7]

Last FY[3]



	Macromill					nielsen Connect Segment	Ipsos	intage	Cross Marketing Group
EBITDA[3] (US$MM)	69	79	83	80	80	437	308	52	11
	(6/17A)	(6/18A)	(6/19A)	(6/20A)	(6/21A)	(12/20A)	(12/20A)	(6/20A)	(12/20A)

Source Company Information

Notes
1. Include temporary employees
2. Exchange rate: USD/EUR = 0.833, USD/JPY = 100.0
3. As of June 30, 2021
4. As of the end of each fiscal year as noted on the graph labels (Intage figures are LTM base as of 6/2020)
5. Consolidated figures for both the Revenue and number of employees
6. Macromill: EBITDA = Operating Profit + Depreciation and Amortization + Loss on Retirement of Non-current Assets + Impairment loss

   Nielsen (Connect Segment): EBITDA = Operating Income + (Restructuring Charge + Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items).

   Intage and Cross Marketing: EBITDA = Operating Income + (Depreciation and Amortization + Amortization of Goodwill + Impairment Loss)

   Ipsos: EBITDA= Operating Income + (Depreciation and Amortization + Impairment Loss of Goodwill and Other Long-Lived Asset + Other Items)

   Because of the adopted accounting principle and the definitions for EBITDA for each company differ, as well as other reasons, they may not be directly comparable
7. EBITDA margin = EBITDA / Revenue
8. EBITDA of Nielsen's "Connect Segment" is used for comparison purposes because it presents similarities with Macromill's business. EBITDA margin for Nielsen on a consolidated basis for the same period was 27.7%

3-Pillars M&A Strategy for Value Creation

① Regional / Wallet Share Expansion × ② Panel Access Expansion × ③ Technology / Solution Enhancement

Proven M&A Track Record

2010 Acquisition[1] — YAHOO! JAPAN Value Insight (Japan)
Regional Expansion | Panel | Technology / Solution
☑ Doubled Panel Access

2011 Acquisition — Oxyme (Netherlands)
Regional Expansion | Panel | Technology / Solution
☑ Acquired Social Analysis Capabilities

2012 Acquisition — embrain (Korea)
Regional Expansion | Panel | Technology / Solution
☑ Access to Asian Client and Panels

2012 Joint Venture with Dentsu — 電通マクロミル (Dentsu Macromill) (Japan)
Wallet Share Expansion | Panel | Technology / Solution
☑ Securing earnings stability and improving our ability to develop service in new domains

2013 Acquisition — PRECISION SAMPLE (US)
Regional Expansion | Panel | Technology / Solution
☑ Access to US Panels

2014 Acquisition — metrix LAB PREDICTING PEOPLE (Netherlands)
Regional Expansion | Panel | Technology / Solution
☑ Global Client & Panel Base Access

2015 Strategic Alliance — NIKKEI-R (Japan)
Regional Expansion | Panel | Technology / Solution
☑ Access to Solutions for Government

2017 Strategic & Capital Alliance
2018 Acquisition — centan (Japan)
Regional Expansion | Panel | Technology / Solution
☑ Access to Neuro / Biometric marketing Solutions
☑ 10% minority investment > 51% majority acquisition

2017 Acquisition — acturus (US)
Regional Expansion | Panel | Technology / Solution
☑ Expand experts, clients base and influencer solutions in the US and UK

2017 Strategic & Capital Alliance
2019 Acquisition — W&S Holdings market research (Indonesia, Thailand, Vietnam)
Regional Expansion | Panel | Technology / Solution
☑ Access to Southeast Asian Client and Panels
☑ 10% minority investment > 51% majority acquisition

2018 Joint Venture with Hakuhodo (51% Majority Acquisition) — TOKYO SURVEY RESEARCH INC. (Japan)
Wallet Share Expansion | Panel | Technology / Solution
☑ Seeking wallet share expansion and enhancement of online/offline integrated solutions

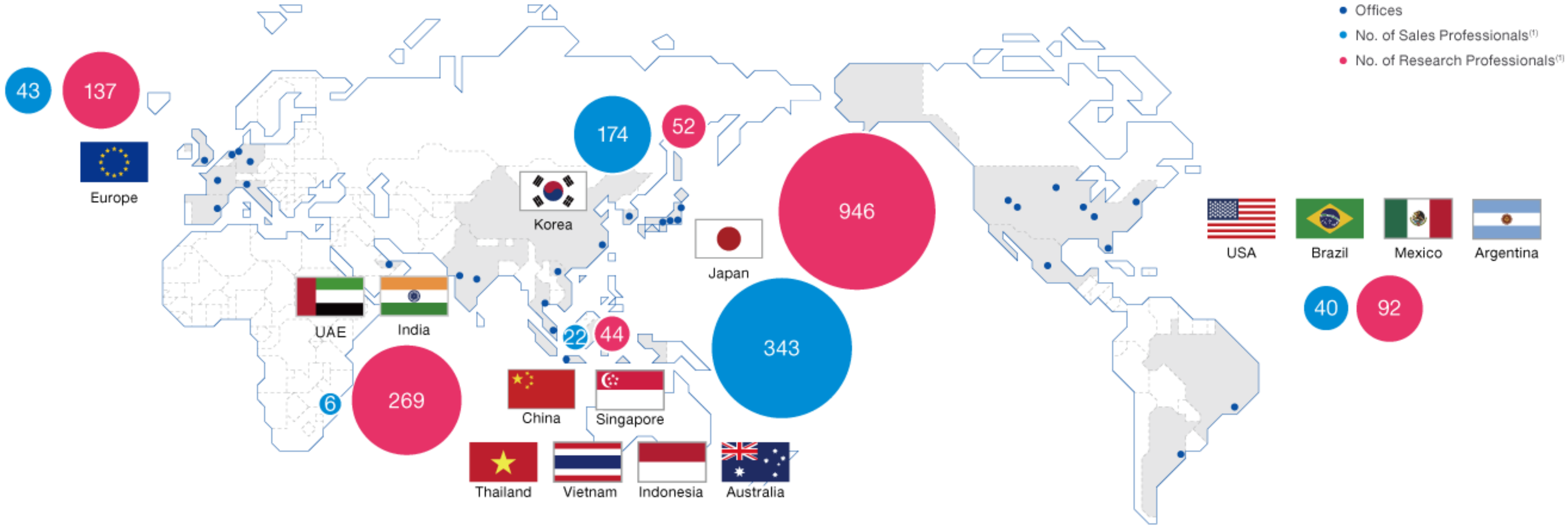
2019 Asset Purchase — DI Asia — Data & Intelligence (Indonesia, Thailand, Vietnam)
Regional Expansion | Panel | Technology / Solution
☑ Expand consumer panel in Southeast Asia
☑ Succession/Acquisition of Online panel asset only

Note
1. Acquired market research business only

Worldwide Sales & Research Delivery

Sales and Research Breakdown for Selected Key Markets[1]

As of end of June, 2021



2,600+[2] Employees in 50 Offices Worldwide

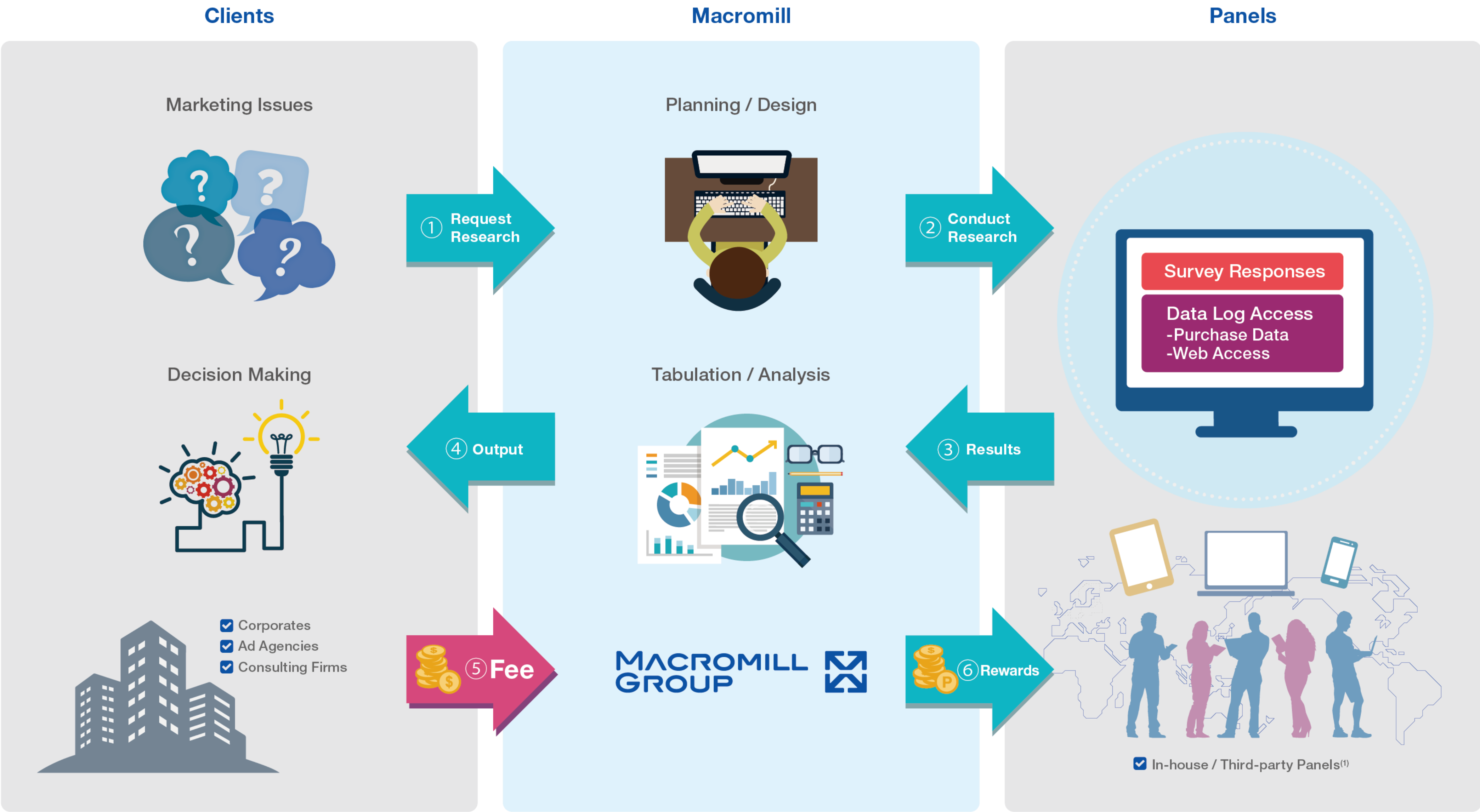
	Local Deeper Local Consumer Insights	**Global** Coordinated Cross-Border Client Coverage
Sales	☑ Localized Sales Teams c. 630[1] professionals across 50 offices worldwide	☑ CEO-led Experienced Sales Professionals Deliver Coordinated GKA[3] Coverage
Research	☑ Seamless Coordination with Local Research Professionals	☑ Best Practice Sharing and Real-time Support from the Global Competence Center in India ☑ Export Superior Japanese *Kaizen* Operational Quality

Notes

1. Sales and research professionals are defined as full-time employees committed to sales and research positions respectively
2. Number of full-time-equivalent employees
3. GKA ("Global Key Accounts") are customers that typically are multinational companies with a large research and marketing spending budget of which they have purchased or we believe have the potential to purchase market research from us and for which we have placed particular emphasis in our sales efforts

Our Business Model

Typical market research workflow



Note

1. Third-party panels are maintained by third-party panel suppliers worldwide and are used as our clients' research projects require

MACROMILL
a Macromill Group company